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Report on Economic and Commercial Conditions in EGYPT

By C. EMPSON,
Commercial Secretary to His Majesty's Embassy, Cairo

June, 1939

(This report was compiled prior to the outbreak of war.)

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DEPARTMENT OF OVERSEAS TRADE

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To foster British Overseas Trade, the Department controls the following Services of Commercial Intelligence Officers:—

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The Department is represented in Egypt by Mr. C. Empson, Commercial Secretary, His Majesty's Embassy, Cairo.

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Members of the United Kingdom firms are urged to call upon the Department's representative abroad when they visit an overseas country. It is also important that they should make a point of their representatives abroad keeping in close touch with the Department's officers.

NOTE.

It should be understood that the views expressed in annual reports are the views of the officers themselves, and are not necessarily in all respects those of the Department.

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COMMERCIAL SUMMARY

Area.—About 1,000,000 square kilometres, of which some 32,000 square kilometres are cultivable.

Population.—1937 census, 15,904,525 (provisional).

Capital.—Cairo. Population 1,312,106.

Principal Ports.—Alexandria. Population 682,101.

Port Said. Population 126,907.

Suez. Population 49,669.

Languages.—Arabic. English, French, Greek, and Italian are also in common use in commercial circles. Catalogues for reference by Egyptian merchants should be in Arabic and English.

Currency.—One Egyptian pound (£E.) = 100 piastres tariff (PT.) = 1,000 milliemes (m'ms) = £1 os. 6½d. A dollar = a talari = P.T.20 = 4s. 1½d. (Used in raw cotton quotations only.)

Rate of Exchange.—Average 97½ piastres to the £ sterling during 1937 and 1938.

Index Numbers.—Index numbers of average cost of living for native clerks, artisans, and labourers earning £E.3 to £E.8 per month, over the whole of Egypt, 128 in December, 1937, and 131 in December, 1938 (1914=100).

Principal Weights, Measures, and Colloquial Terms:—

- 1 cantar = 100 rotls = 99·0493 lbs.
- 1 rotl = 144 dirhems = 0·9905 lbs.
- 1 oke = 400 dirhems = 2·75137 lbs.
- 1 ardeb = 96 kadahs = 43·555 gallons or 5·444 bushels.
- 1 keila = 8 kadahs = 3·63 gallons.
- 1 rob = 4 kadahs = 1·815 gallons.
- 1 kadah = 1/96th ardeb = 3·63 pints.
- 1 feddan = 24 kirats = 5,024·16 sq. yards or 1·038 acres.
- 1 cantar of unginned cotton = 315 lbs.
- 1 cantar of ginned cotton = 100 lbs.

Approximate weight of an *ardeb* of various crops:—

Wheat, 150 kilogrammes. Barley, 120 kilogrammes. Beans, 155 kilogrammes. Maize, 140 kilogrammes. Lentils (whole), 157 kilogrammes. Lentils (split), 132 kilogrammes.

Note (1):

One Alexandria export bale of steam-pressed cotton = approximately 736 lbs. nett., 758 lbs. gross.

One bale of up-country, hydraulically pressed cotton = approximately 850 lbs.

One ardeb of cottonseed = 267 lbs.

Eight ardebs of cottonseed = approximately one metric ton.

Fellah = Egyptian peasant (plural—fellaheen).

Mudiria = a province.

Note (2):

In Egypt liquids are often bought and sold by weight.

One oke = 1½ litres.

	1937. Value. £E.	1938. Value. £E.
Total Imports	38,016,540	36,803,912
Principal Imports:—		
Tea	791,512	831,247
Sugar	169,982	652,941
Tobacco in leaves and tombac ...	592,034	604,557
Coal	2,119,593	2,007,378
Kerosene	1,175,519	1,136,066
Fuel oils	584,909	649,462
Fertilisers	3,389,974	2,935,463
Wood for building	1,227,164	1,220,394
Silk fabrics	268,437	218,832
Artificial silk fabrics	402,433	210,934
Woollen fabrics	1,146,006	860,755
Cotton piece goods	3,830,061	2,828,111
Jute sacks	498,471	546,758
Bars, iron or steel	838,871	608,459
Sheet, iron or steel	614,323	600,067
Motor cars, omnibuses, lorries and chassis	984,381	1,051,466
Total Exports	38,664,811	28,587,363
Principal Exports:—		
Onions	645,194	929,406
Rice	1,345,879	684,354
Cottonseed	1,850,016	1,590,162
Sugar	347,617	148,652
Cottonseed cake	888,667	914,002
Phosphate of lime	355,143	307,183
Cotton, raw	29,002,361	21,189,544

Railway Mileage, open for Traffic:—

	Kilometres.		
	1935.	1936.	1937.
Standard Gauge:—			
Egyptian State Railways (excluding auxiliary lines and the Western Oasis lines)	2,973	3,050	3,060
Narrow Gauge:—			
Fayoum Light Railways	158	158	158
Société Anonyme des Chemins de Fer de la Basse-Egypte	253	253	283
Egyptian Delta Light Railways	1,002	1,002	999
Total	<u>4,386</u>	<u>4,463</u>	<u>4,500</u>

Mercantile Vessels carrying the Egyptian Flag.—

1937.—Steamships ... 52	Nett registered tonnage ...	55,887
1937.—Sailing Vessels ... 167	International tonnage ...	11,332
1938.—Steamships ... 56	Nett registered tonnage ...	60,495
1938.—Sailing Vessels ... 167	International tonnage ...	11,418

Length of canals is 20,273 kilometres of which 1,693 kilometres are navigable.

Length of public irrigation drains is 9,168 kilometres.

Memoranda on Egypt.

The following pamphlets on Egypt may be obtained by United Kingdom firms on application to the Department of Overseas Trade:—

1. "Hints to Commercial Visitors to Egypt."
2. "Memorandum on the Appointment of Agents in Egypt and the Sudan."
3. "Terms of Payment and Methods of Quoting."
4. "Advertising and Publicity in Egypt and the Sudan."
5. "Memorandum for the guidance of United Kingdom firms desirous of submitting tenders for Egyptian Government contracts."

REPORT ON ECONOMIC AND COMMERCIAL CONDITIONS IN EGYPT

(June 1939)

(This report was compiled prior to the outbreak of war.)

I.—ECONOMIC AND FINANCIAL SUMMARY.

General Situation.—Since the last report in this series was written in May, 1937, perhaps the most important event in Egyptian economic history was the entry into force on 15th October, 1937, of the new régime under the terms of the Montreux Convention for the Abolition of the Capitulations. From that date taxation both direct and indirect could be imposed, without discrimination, on Egyptians and foreign residents alike; and the Government was free to revise its fiscal policy accordingly. Income tax and stamp tax laws have already been promulgated; and a succession duties bill is before the Egyptian Parliament.

The new sources of revenue thus to be tapped are particularly opportune for the Egyptian Government in view of the large expenditure on national defence measures necessitated by the political situation abroad. The estimated total of this expenditure was placed by the Ministry of Finance in December, 1938, at £E.23 millions, but it is understood that the Government proposes to spread its incidence over a number of years, and, if possible, in pursuance of Egypt's time-honoured policy, to avoid the raising of funds by borrowing.

In conjunction with this defence programme, there are the financial obligations accepted in the Anglo-Egyptian Treaty of Alliance of 1936 whereby Egypt undertook to construct certain roads, barracks and other works required for the combined defence plan. The financial liabilities thus involved were, however, reduced in September, 1938, when His Majesty's Government agreed to bear a larger share of the cost of the barracks in question than originally provided in the Treaty.

It is unfortunate for Egypt that the need for armament coincides with acute depression in the market for raw cotton, on which her financial welfare primarily depends. 1937 brought a good, indeed a record crop: but in that year began a steady fall in cotton prices, which are now about 25 per cent. below the average of two years ago, while a poor and meagre crop in 1938 aggravated the situation. The Government has set up an Advisory Cotton Council to suggest remedies, and certain steps have been taken on the advice of this body, such as periodic fixation of minimum prices on the Cotton Bourse. It is, however, to be feared that no solution lies within the reach of Egypt. Her cotton output, however good in quality, represents only 6 per cent. of world production; and the basic level of

world prices is governed by conditions elsewhere. At the present time it is weighed down by fear of release of 11,000,000 bales of loan cotton held in the United States of America. Nothing that Egypt alone can do is likely to affect the matter. It is perhaps as well that the area under cotton in Egypt is said again to be reduced this year. Meanwhile the general economy of the country must suffer and the fellah must tighten his belt.

In spite of armament importations from abroad, the total value of imports has fallen between 1937 and 1938: but exports have fallen much more—by £E.10 million—and in 1938 Egypt returned a visible adverse balance for the first year since 1932.

On the other hand the country's credit and the budgetary position remain sound. With defence expenditure included, the budget estimates for 1938-9 and 1939-40 anticipate deficits of no more than £E.3,270,000 and £E.1,600,000, while the advance figures for realisations reduce the former item by £E.1 million. It is true that there are additional deficits to be reckoned with, arising out of the separate budgets of the State Railways, Telegraphs and Telephones; and that substantial supplementary credits have already been authorised in 1939-40. But the general reserve fund, which is to be utilised to cover all these sums, totalled £E.33 million on the 30th April, 1938. Admittedly, however, about one-third of this reserve was not in liquid form, and nearly half the liquid reserve was shown as invested in Egyptian Public Debt bonds.

In this connection, and also more generally in relation to the credit position of the country abroad, a disturbing feature has been the sharp fall in values of Egyptian securities which began in the summer of 1938. As for cotton so for securities, the causes of the decline are largely outside the control of Egypt. Its extent may be gauged by the drop in quotations for Egyptian Unified Debt 4 per cent. stock from £104 in April, 1938, to about 78 at the time of writing. Falls of this magnitude represent a substantial decline in the country's assets.

Nevertheless there is no reason to hold a despondent view of the economic situation in general. It may be significant that the trade balance during the March quarter of 1939 was favourable to Egypt by £E.1,000,000 compared with an adverse balance of a similar amount in the same quarter of 1938; and that during May there has been some improvement in values of both cotton and securities. Egypt in the past has demonstrated her considerable powers of resilience in recovery from depression.

Early in 1939, a permanent inter-departmental Foreign Trade Commission was established of which the function is to formulate overseas trade policy with special reference to the adverse trade balance. By this Commission and in other quarters,

various suggestions for barter or compensation exchanges have been made; but at the time of writing developments in this field have not been of great importance.

United Kingdom Trade with Egypt.—As regards trade between Egypt and the United Kingdom, it is gratifying to record that, in spite of the decline in total imports, the country's purchases of United Kingdom goods rose slightly in value from £E.8,280,000 in 1937 to £E.8,422,000 in 1938, or from 21·8 per cent. to 22·9 per cent. of the total.

They were, indeed, greater in value than in any year since 1930.

In Egypt's exports the United Kingdom share likewise rose between 1937 and 1938 from 32·2 per cent. to 33 per cent.

The United Kingdom remains both Egypt's best customer and her leading supplier: and considerable progress has been made towards the establishment of a joint Anglo-Egyptian Trade Committee on the lines proposed by the Egyptian Economic Mission to the United Kingdom of 1935 with a view to strengthening still further the commercial ties between the two countries.

Banking.—Anxiety due to international tension has been the outstanding factor in banking during the past two years. It activated considerable withdrawals of cash and securities in September, 1938, particularly from certain foreign banks, and also of savings bank deposits. Money rates remained low though they showed a slight hardening towards the end of 1938.

Central Bank Project.—At various times, and in particular in the Speech from the Throne at the opening of the parliamentary session in the autumn of 1938, the Government have declared their intention of forming a Central Bank. During March, 1939, negotiations which had been proceeding for some time culminated in agreement in principle between the Government and the National Bank of Egypt for transformation of the latter into a Central Bank. The National Bank of Egypt was formed in 1898 and its present charter is due to expire in 1948. It has acted as bankers to the Egyptian Government since its formation; and has managed the Egyptian currency as bank of issue since the early days of the Great War, fulfilling indeed for years past many of the functions of a Central Bank.

Under the proposed agreement, a new charter will be promulgated with 40 years validity. The Board of Directors will be gradually reconstituted so as to give a majority of Egyptian directors by 1945. Future Governors may be of any nationality but will no longer, subsequent to the present incumbent, be *ex officio* President of the Board; and, after the departure of the present Governor, the President must be an Egyptian. The Bank will continue to act as banker to the Government and the

Government undertake to maintain the existing legal-tender status of its notes. The Bank will continue to do commercial business.

An Extraordinary General Meeting of the shareholders of the National Bank of Egypt was called on 27th June, 1939, to consider the revision of certain of the Bank's statutes in order to give effect to the proposed agreement for a new charter. The shareholders unanimously agreed to the proposals, and the next step will be for the Egyptian Government to submit the necessary legislation to Parliament.

Bank Clearings.—The following table shows the total value of bank clearings during the past five years:—

<i>Year.</i>						<i>£E.</i>
1934	...	...	...	...	...	105,204,000
1935	...	...	...	...	...	119,900,000
1936	...	...	...	...	...	123,540,000
1937	...	...	...	...	...	132,833,000
1938	...	...	...	...	...	128,309,000

A marked decline will be noticed in 1938, due to the slow liquidation of the 1937 cotton crop, the fall in cotton prices, and the general contraction in business.

National Thrift.—Total deposits in the Post Office Savings Bank rose from £E.8,106,453 at the end of 1936 to £E.8,945,128 at the end of 1937, and by the close of 1938 had reached a total of £E.9,578,429, despite a slight run on the bank in September, 1938, when withdrawals exceeded deposits by over £E.400,000.

Amounts deposited in Saving Accounts held by other banks in Egypt totalled £E.3,415,000 at the end of 1937 and £E.3,555,000 at the end of 1938. Here again there were substantial withdrawals in September, 1938, amounting to about £E.345,000, so that the total withdrawals by small investors during that crisis period reached £E. three-quarters of a million.

The total amount deposited in Savings Accounts at the end of 1938 was thus £E.13,134,000, compared with £E.12,360,000 at the end of 1937 and only £E.4,290,000 at the end of 1931.

Note Circulation.—Compared with 1936, note circulation has decreased. Apart from retrogression in the economic situation, probable factors are the more general use of cheques, and the acceleration in circulation due to reintroduction of the popular fifty piastre note.

Note Issue.—At the end of 1938, the total note issue, including the amount held by the National Bank, stood at £E.22.2 millions compared with £E.22.4 millions at the end of 1937.

The cover for the note issue at the end of 1938 consisted of:—

	£E.
Gold (valued at the former rate)	6,240,583
*British Treasury Bills and Treasury Bonds ...	4,859,417
Egyptian Government securities and Securities guaranteed by the Egyptian Government ...	1,500,000
British 3½ per cent. War Loan and British Fund- ing Loan	9,600,000
Total	22,200,000

* By authority of the Egyptian Government, British Treasury Bills and Treasury Bonds are deposited in lieu of gold.

It will be observed that the valuation of the gold cover has not been adjusted to present market rates. According to the Minister of Finance it represented, at the market rate for fine gold, nearly £E.11,000,000 at the end of 1938.

Coinage.—Coins in circulation at the end of 1938 were as follows:—

	£E.
Silver	4,479,000
Nickel	900,000
Bronze	56,000

The amount of false coinage current still presents a very serious problem.

Exchange.—Following the substantial decline in the price of cotton, rumours were again current in October, 1937, of an intention on the part of the Government to devalue the Egyptian pound. So persistent were these rumours that the then Minister of Finance found it necessary to issue two separate official denials. Nevertheless the question was raised in the Chamber of Deputies in November, 1937, when a motion to submit a devaluation scheme to the Finance Committee was defeated, and again in the summer of 1938, when the Minister of Finance repeated the official assurances. In the early months of 1939, the continued fall in the value of Egyptian securities gave rise to a new crop of rumours both of devaluation and of prohibition of the export of capital. This led the President of the Cairo Bourse Commission to address an enquiry on the subject to the Minister of Finance, whose reply took the form of a categorical denial on both counts. Dr. Ahmed Maher stated that no Minister of Finance would for a moment entertain proposals for devaluation; on the contrary, it was the Government's resolve to maintain, and even to fortify, the links between the Egyptian pound and Sterling. Nor had the Government ever contemplated prohibition of the export of capital.

It is a matter for satisfaction that at no time was confidence in the Egyptian fiduciary issue shaken: the exchange rate of

the Egyptian pound remained stable throughout the period under review.

Stock Exchange.—The year 1937 was relatively uneventful on the Egyptian Bourse; but heavy falls in security values began in the summer of 1938. A number of causes contributed to the decline. Primary factors were the international uncertainties, the depression in cotton and important liquidations of Egyptian securities on the Paris and Brussels bourses. The imminence of the new fiscal taxation in Egypt also played its part.

Values continued their downward path during the first four months of 1939, April, the worst month experienced by the local bourses for many years, bringing new low levels. Unified 4 per cent. dropped as far as £68½ (ex-coupon), Privileged 3½ per cent. £58, and National Bank shares £21½. On several occasions minimum prices were fixed in an endeavour to support the market. A better tone has since, however, prevailed.

Gold Export Regulations.—Statistics of the export of bullion and specie will be found in Appendix VI.

In February, 1938, the Ministry of Finance raised the general embargo on export of gold in bars or in currency and authorised export up to a total value of £E.1,000,000, apart from the existing regulations in virtue of which for any quantity of fine gold imported into the country an equal quantity might be exported within three monthse. By January, 1939, the value of gold which had been exported under the authorisation was, however, only £E.400,000.

During April, 1939, in view of the uncertainty of the political situation, and the fall in the value of Egyptian securities, the Ministry of Finance again prohibited entirely the export of gold abroad until further notice.

Insurance.—General.—The market for insurance in Egypt remains restricted and intensely competitive with approximately 140 companies, Egyptian, British and foreign, operating. Industrial insurance is still limited in extent; and a popular prejudice against insurance still obtains. Increase in business as a whole depends largely on education of the people in the benefits of insuring, a matter in which the Egyptian companies are making good progress. As pointed out in the last report in this series, United Kingdom companies must expect to lose ground to Egyptian companies with their appeal to growing national sentiment, but they may look forward to maintaining a substantial share in the Egyptian insurance market provided they adapt themselves to changing conditions.

There has been no important legislation especially affecting insurance business since the Egyptian Workmen's Compensation Act (Law No. 64 of 1936) came into force in March, 1937.

placing definite liabilities on employers in respect of accidents to their employees. Two important bills are, however, on the stocks at the time of writing and likely to be enforced in the near future. These are (a) a draft law for the supervision and control of insurance undertakings in Egypt, which provides *inter alia* for the registration of all companies transacting insurance business, and the deposit by each company with the Egyptian Government of £E.10,000 for each class of business transacted (subject to a maximum deposit of £E.30,000), special provision being made for Lloyd's Underwriters and similar organisations; and (b) a draft law to make insurance in respect of Workmen's Compensation compulsory. The first of these bills has been under consideration for some years and has been frequently modified in view of the criticism to which certain of its provisions have been subjected by insurance interests. Its text, as finally revised, now awaits Parliamentary approval.

The second bill is complementary to the law of 1936 mentioned above which, whilst it provided for legal compensation to workmen in case of accident, laid no obligations on the employer to insure against this liability.

II.—ECONOMIC LEGISLATION.

General.—The period under review has witnessed several important additions to the economic legislation of Egypt; and other bills in the economic field have reached an advanced stage. Apart from the income tax and stamp duties laws and the succession duties bill already mentioned, maximum legal interest rates have been reduced, the settlement of the old mortgage debts has been regularised and the metric system has been legally introduced. A trade marks bill has been passed, and a bill to regulate the operations of insurance companies is before Parliament.

New Laws.—The following is a chronological* summary of laws of economic interest which have been enacted in the period:—

(a) *Air Mails.*—Law No. 38 of July, 1937, embodied the financial conditions of the agreement under which Egypt participates in the British Air Mail Scheme and all first-class postal matter addressed to territories covered by the scheme is transported by air.

(b) *Abolition of the Capitulations.*—Law No. 48 of August, 1937, approved the Montreux Convention for the abolition of the Capitulations.

* Except under cotton where relevant measures have been grouped together.

In October, 1937, a decree was published promulgating the Convention on its ratification and decree-laws Nos. 88 to 94 of 1937 provided certain modifications in the competence of the Mixed Courts in view of the abolition of the Capitulations.

(c) *Suez Canal Company*.—Law No. 73 of August, 1937, approved the terms of the agreement reached in 1936 with the Suez Canal Company whereby the Company agreed—

(i) that an Egyptian director should be appointed to an existing vacancy on the board;

(ii) that a second Egyptian director should be appointed in the next French vacancy to occur;

(iii) that in any future increase in the total number of directors, one of the seats thus created would be reserved for an Egyptian national;

(iv) to pay £E.300,000 to the Egyptian Government annually;

(v) to undertake construction of a road in the Canal Zone, under the provisions of the Anglo-Egyptian Treaty, at a cost not exceeding £E.300,000;

(vi) to increase the percentage of its Egyptian staff to 33 per cent.

(d) *Legal Interest Rates*.—Decree-laws Nos. 20 and 21 of March, 1938, modified the maximum legal interest rates specified in the Egyptian Civil Code and the Mixed Civil Code respectively. Their effect was to reduce the maximum rate in commercial transactions from 7 per cent. to 6 per cent., and that of contract interest from 9 per cent. to 8 per cent. It was also stipulated that the contract interest rate might be further reduced by decree to 7 per cent., provided that such reduction should not become operative until six months after the publication of the relevant decree.

(e) *Cotton*.—(i) Law No. 59 of August, 1938, amended by Arrêtés of December, 1938, restricted the cultivation of cotton in Egypt to the following varieties:—

Ashmuni, Giza 7; Maarad, Sakha 4; Sakellarides, Giza 12; Fuadi, Giza 26; Zagora,

The law provided, however, for the experimental cultivation of other varieties of cotton with specific sanction from the Ministry of Agriculture.

(ii) Ministerial Arrêté No. 42 of September, 1937, admitted the tenderability of "Sakha 4" cotton in contracts for "Sakel" cotton.

(iii) Ministerial Arrêté No. 5 of February, 1939, made it obligatory for "jobbers" to deposit a margin of two dollars (PT.40) per cantar in respect of short sales of cotton.

(iv) Ministerial Arrêté No. 16 of April, 1939, authorised the Commission of the Alexandria Cotton Futures Market to fix maximum and minimum prices for cotton day by day when considered necessary, up to the 15th May, 1939.

(f) *Bill Posting*.—A decree was published in July, 1938, to regulate bill-posting of all descriptions.

(g) *Soap*.—Law No. 87 of November, 1938, regulated the manufacture of, and trade in, soap.

(h) *Mortgage Debts*.—Law No. 3 of January, 1939, regulated the settlement of mortgage debts. Pending the promulgation of this law, the suspension of forced sales of land had been renewed by decree-laws to cover the whole of 1938 (see Chapter VI).

(i) *Income Tax*.—Law No. 14 of January, 1939, introduced a tax on income from investments, on commercial and industrial profits, and on earned incomes.

The tax on income from investments is retroactive to the 1st September, 1938, and is at the rate of 7 per cent. for the years 1938 and 1939, rising to 8 per cent. in 1940, 9 per cent. in 1941, and 10 per cent. in 1942.

The tax on commercial and industrial profits is also retroactive to the 1st September, 1938, and the rates are those fixed in respect of income from investments.

The tax on earned incomes is 2 per cent. on the first £E.120 per annum (incomes under £E.60 per annum being exempt and on those under £E.120 per annum, the first £E.60 being exempt from taxation); 3 per cent. on the next £E.180; 4 per cent. on the next £E.200; 5 per cent. on the next £E.300; 6 per cent. on the next £E.400; and 7 per cent. on all subsequent amounts. No exemption is made in respect of salaries exceeding £E.120 per annum.

Lawyers, doctors, engineers, architects and members of other non-commercial professions are exempt from the tax on income but instead will pay an annual tax of $7\frac{1}{2}$ per cent. on the rental value both of their offices and private residences. A person using the same premises for professional purposes and as a residence will pay 10 per cent. of the rental value of such premises.

The tax on earned incomes became payable as from the 1st February, 1939.

(j) *Weights and Measures*.—Law No. 30 of March, 1939, established the metre, the kilogramme and the litre as the weights and measures legal in Egypt.

In practice, existing Egyptian weights and measures will continue to be used, but their metric equivalents are specified in the law and they must be officially stamped to show that they conform to these equivalents. Exceptions are made in the case of textiles sold by the piece, where the use of inches, feet and yards is admitted and in the case of raw cotton where the pound avoirdupois may be used, whilst the gallon is also recognised as a legal measure of capacity.

(k) *Stamp Duties*.—This law entered into force in May, 1939. It is a comprehensive and complicated measure by which stamp duties are payable on commercial and personal status documents of all kinds and also on advertising matter, transport tickets and various other documents. The new duties are too numerous to enumerate here, but it is worthy of mention that for the first time in Egypt cheques and receipts are liable to the payment of stamp duty.

(l) *Trade Marks and Trade Descriptions*.—Law No. 57 of 9th July, 1939.

Trade Regulations.—A list of new trade regulations of note is also given hereunder:—

(a) *Tobacco and Cigarettes*.—A decree issued in July, 1938, ordered the fixing of a special label bearing the name of the importer to all containers of manufactured tobacco and cigarettes.

(b) *Pharmaceutical Products*.—A decree issued in December, 1938, prohibited, with effect from the 1st April, 1939, the import of pharmaceutical products unless the retail selling price is affixed to each unit.

(c) *Shaving Brushes*.—The Customs Administration have once again drawn attention to the regulation under Law No. 20 of 1920, modified by Law No. 18 of 1928, prohibiting the import into Egypt of shaving brushes and bristles which are not accompanied by a certificate from the competent public authority in the country of production or exportation, to the effect that the brushes have been disinfected and are free from anthrax bacilli.

(d) *Tobacco Mixing*.—Under Ministerial Order No. 50 of 1937, cut tobacco for cigarette making is allowed to consist of a mixture in which the proportion of the ingredients other than tobacco do not exceed 7 per cent. of sugar or molasses, 3 per cent. of glycerine, 3 per cent. of aromatic, medicinal or other essences, the use of which is permitted by the Customs Administration and the Ministry of Public Health.

(e) *Foodstuffs*.—By decree issued in May, 1938, the importation of the undermentioned foodstuffs was prohibited:—

Preserved vegetables containing added copper compounds or any other colouring matter harmful to health.

Butter and butter substitutes containing boric acid in any form, or other preservative substances harmful to health.

Customs Tariff.—A number of important changes have been made in customs and excise duties since the last report. Particulars may be obtained from the Department of Overseas Trade. They are mainly protective, but it has to be remembered that Egypt derives 50 per cent. of her revenue from this source.

III.—STATE FINANCE.

Budget, 1938-9.—The State Budget estimates for 1938-9 and advance figures of realisations read as follows:—

				1938-39.	
				<i>Estimated.</i>	<i>Realised.*</i>
				£E.	£E.
Expenditure	...	...	...	42,267,000	39,702,000
Receipts	...	...	...	38,997,000	37,390,000
Deficit	...	...	...	3,270,000	2,312,000

* Advance figures.

Receipts were thus estimated to increase by £E.2,004,000 over 1937-8; but since the National Defence fund subscribed by Government officials, which accounted for £E.1,100,000 on the revenue side in 1937-8, disappeared from the 1938-9 budget, the actual estimated increase was £E.3,104,000, the principal items of new or increased revenue being:—

						£E.
(a) New taxes	...	...	...	...	...	1,000,000
Increase of :—						
(b) Customs and excise	...	...	...	...	...	1,192,000
(c) Receipts of industrial establishments	...	...	...	...	...	187,500
(d) Royalties from companies	...	...	...	...	...	416,000
(e) Government's share in Egyptian State Railways, Telegraphs and Telephones' revenue...	...	...	...	...	...	107,000

The estimate of expenditure was higher by £E.5,274,000 than for the previous year, mainly on account of an increase in the budget of the Ministry of National Defence from £E.3,075,000 to £E.6,235,000; an increase of £E.517,000 in the budget of the Ministry of Education; and an allocation of £E.500,000 for expenses in connection with the execution of the Anglo-Egyptian Treaty.

A number of supplementary credits were opened in the 1938-9 budget, of which the following were of particular interest:—

- £E.418,000 for National Defence projects.
- £E.125,000 for the construction of a desert road between the Baharia and Sandafa El Far oases.
- £E. 160,000 for the construction of a road from Ismailia to the Palestine frontier.

The Egyptian States Railways, Telegraphs and Telephones' estimates for 1938-9 were as under:—

					£E.
Receipts	...	...	...	...	6,371,000
Expenditure*	...	...	...	...	5,814,450
Surplus	...	...	...	...	556,550

* Not including payment to the Treasury of 25 per cent. of gross takings.

Nevertheless in the foregoing table the advance figures of realisations indicate a reduction of £E.1 million in the estimated deficit.

Budget 1939-40.—The State Budget estimates for 1939-40 are as follows:—

					£E.
Expenditure	...	...	...	...	41,847,000
Receipts	...	...	...	...	40,247,000
Deficit	...	...	...	...	1,600,000

The current budget thus forecasts less expenditure and greater receipts than estimated in the previous year.

On the revenue side, customs and excise estimates are lowered by £E.535,000 in view of the uncertain economic situation and the decline in purchasing power caused by the depression in cotton. The land debts settlement and the suspension of forced sales of land necessitate a reduction of £E.108,000 in Court fees, and the abolition of the purchase of exemption from military service are expected to deprive the Treasury of £E.106,000. On the other hand, the proceeds of the three new fiscal laws (income tax, stamp duties, and succession duties) are estimated to bring in £E.3,000,000, against £E.1,000,000 in the 1938-9 budget.

The principal items of note under expenditure are a reduction in the Ministry of Public Works budget from £E.7,604,195 to £E.6,672,840; the provision of £E.600,000 for Anglo-Egyptian Treaty works (against £E.500,000 in 1938-9), and a small increase in the budget of the Ministry of National Defence from £E.6,234,538 to £E.6,385,400.

The following table shows allocation of expenditure in the 1939-40 budget with comparative figures for 1938-9:—

	1938-39.	1939-40.	Increase.	Decrease.
	£E.	£E.	£E.	£E.
Title I.—(Salaries, etc.)	13,379,601	14,048,900	669,299	—
„ II.—(General Expenses)	11,027,870	11,622,700	594,830	—
„ III.—(New Works)...	9,994,932	8,993,400	—	1,001,532
Other Titles	7,864,597	7,182,000	—	682,597
Total	42,267,000	41,847,000	1,264,129	1,684,129
			— 420,000	

The increase of £E.669,299 in Title I reflects the expansion of the defence forces and the creation of a special department to administer the new fiscal laws. The recent introduction of a new cadre for all Government officials, including officers of the army and police, and the adjustments which it provides in their rates of pay, should result in a gradual reduction in allocations for salaries during the next few years, but this year they account for a third of the total expenditure.

The rise under Title II is mainly due to defence measures; and the fall under Title III to the cut in the Public Works budget already mentioned.

Under Other Titles, the reduction represents first the transfer to Title III of credits necessitated by the Anglo-Egyptian Treaty, and, secondly, a reduction from £E.500,000 to £E.250,000 in the annual contribution towards the expenses of the army in the Sudan.

Since announcement of the 1939-40 budget, a supplementary credit for £E.1,023,000 has been opened for the creation of a naval force of nine units.

The estimates of the Egyptian State Railways, Telegraphs and Telephones Administration for 1939-40 are summarised below:—

	£E.
*Expenditure... ..	5,376,000
Revenue	6,547,800
Surplus	1,171,800

* Not including payment to the Treasury of 25 per cent. of the gross takings.

A summary of State budgets is contained in Appendix XXI.

General Reserve Fund.—The General Reserve Fund of the Egyptian Government amounted to £E.33,062,569 on the 30th April, 1938, compared with £E.34,046,317 on the 30th April, 1937.

The following table shows details of the state of the reserve fund on the 30th April, 1938, divided under the heads liquid and frozen:—

<i>(a) Liquid Reserve.</i>						£E.
In Cash	...	...	...	...	...	4,258,489
In Investments:—						
						£E.
(i) Egyptian Public Debt Bonds	...	...	...	...	...	9,869,625
(ii) British Government Bonds	...	...	...	...	...	5,846,457
(iii) Belgian Government Bonds	...	...	...	...	...	585,099
(iv) Miscellaneous investments	...	...	...	...	...	1,626,002
						<hr/> 17,927,183
						<hr/> 22,185,672
<i>(b) Frozen Reserve.</i>						
(i) Government share in the capital of the Crédit Agricole d’Egypte	...	...	...	...	...	500,000
(ii) Loans to the Crédit Agricole d’Egypte	...	...	...	...	...	2,000,000
(iii) Loans to the Crédit Agricole Hypothécaire d’Egypte	...	...	...	...	...	1,175,023
(iv) Balance of agricultural loans made prior to 1932	...	...	...	...	...	318,962
(v) Advances to landowners	...	...	...	...	...	1,304,754
(vi) Balance of other loans to landowners and on cotton	...	...	...	...	...	35,719
(vii) Advances to the Ministry of Wakfs	...	...	...	...	...	91,194
(viii) Industrial loans	...	...	...	...	...	925,821
(ix) Loans to Co-operative Societies	...	...	...	...	...	125,391
(x) Loans to Municipalities and Local Commissions	...	...	...	...	...	244,695
(xi) Outstanding from mortgage debtors	...	...	...	...	...	3,194,706
(xii) Gold purchases as cover for the note issue	...	...	...	...	...	260,675
(xiii) Loans to Ministry of Wakfs	...	...	...	...	...	157,000
(xiv) Loans to benevolent societies, clubs, etc.	...	...	...	...	...	65,741
(xv) Balance due in respect of sales of land to pensioned officials...	...	...	...	...	...	85,178
(xvi) Balance due to the State in respect of judgments, etc.	...	...	...	...	...	392,038
						<hr/> 10,876,897
Grand Total						<hr/> 33,062,569

National Debt.—The following was the position of the Egyptian Public Debt on the 30th April, 1938:—

<i>Consolidated Debt.</i>						£ Sterling.
Unified Loan, 4 per cent.	...	...	...	...	...	55,250,460
Privileged Loan, 3½ per cent.	...	...	...	...	...	30,633,980
Guaranteed Loan, 3 per cent.	...	...	...	...	...	2,131,300
Total						<hr/> 88,015,740*

* Including Bonds held by the Public Debt Commission and by the Government for their respective Reserve Funds, etc.

Egyptian Tribute Loans.

	<i>£ Sterling.</i>
Turkish Government Loan (4 per cent.) of 1891	2,871,920
Turkish Government Conversion Loan (3½ per cent.) of 1894	4,321,060
	<hr/> 7,192,980
Total	<hr/> 95,208,720

The total service of the Funded Debt for 1937-8 was £E.4,101,903.

No changes occurred in the totals of the Unified and Privileged debts during 1937-8. The other debts were reduced by amortisation in 1937-8 as follows:—

	<i>Reduced by £</i>
Guaranteed Loan, 3 per cent....	245,500
Tribute Loan, 4 per cent. ...	158,000
Tribute Loan, 3½ per cent. ...	170,420
Total	<hr/> 573,920

A further reduction by amortisation of £125,600 was made during 1938-9 in the total of the Guaranteed 3 per cent. Loan and in his note on the 1939-40 budget, the Minister of Finance anticipated that a further sum of £127,400 would be amortised before the close of the financial year 1938-9, thus reducing the total of the Guaranteed Loan to £1,878,300. In addition, the 4 per cent. Tribute Loan was reduced by amortisation during 1938-9 by £165,000 and the 3½ per cent. Tribute Loan by £176,360, bringing the balance of these two debts on the 30th April, 1939, to £2,706,920 and £4,144,700 respectively.

Short Term Debt.—The 4 per cent. 5-year Treasury Bonds, totalling £E.1,000,000 issued in 1933 have now been entirely amortised. The 4½ per cent. 10-year Treasury Bonds, totalling £E.2,500,000, issued in 1933 have been amortised to the extent of £E.1,356,000, leaving a balance outstanding of £E.1,133,500 (at the beginning of 1939).

Contingent Liabilities outstanding on the 1st May, 1938.

	<i>Amount.</i>	
	<i>Original. £E.</i>	<i>Outstanding. £E.</i>
City of Alexandria 4 per cent. Loan, 1902	499,980	343,395
Crédit Hypothécaire Agricole, 3½ per cent.	2,435,000	1,704,500
Crédit Agricole 5 per cent. interest on share capital	1,000,000	1,000,000

In addition to the foregoing, the Egyptian Government has certain direct liabilities undertaken in connection with the Kena-Aswan Railway, the Port Said-Ismailia Railway, the Cairo-Helwan Railway, and the Port of Suez, the annual charge for which amounts to £E.51,591.

Caisse de la Dette.—During the debate in the Chamber of Deputies on the 1939-40 budget of the Public Debt Commission, the Prime Minister announced that, after lengthy negotiations with the States concerned, an agreement satisfactory to Egypt had been reached in principle for abolition of the Caisse de la Dette Publique. The agreement has still to be signed by the three powers represented on the Caisse de la Dette and will require the approval of the Egyptian Parliament. Meanwhile the status quo will be preserved.

IV.—FOREIGN TRADE.

General.—(a) *Total Trade.* (See also Appendix I).

The foreign trade of Egypt for the years 1936, 1937, and 1938, exclusive of bullion and specie, and omitting trade between Egypt and the Sudan, was valued as follows:—

In 000's of £E.

	1936 Value.	1937 Value.	1938 Value.	Increase (+) or Decrease (—) in 1938.
	£E.	£E.	£E.	£E.
Imports	31,486	38,017	36,804	— 1,213
Exports	32,971	38,665	28,587	— 10,078
Re-exports	924	871	777	— 94
Total trade ...	65,381	77,553	66,168	— 11,385

The sharp fall in the total value of trade in 1938 was mainly due to a decline of £E.7·8 millions in cotton exports; but there were also large decreases in exports of rice, sugar, metallic ores, hides and skins and raw wool. As to imports, the fall occurred mainly in textile goods, a market adversely affected by the expansion of the local industry and the higher duties on cotton piece goods introduced in April, 1938. Imports of cotton piece goods declined by £E.1,002,000 in 1938, silk and rayon fabrics by £E.241,000, and woollen fabrics, mixed with cotton, by £E.323,000. Other imports to show noteworthy decreases in 1938 were chemical fertilizers and paper. On the other hand, there were increases in imports of motor lorries, aeroplanes and munitions due to the Government's defence programme.

(b) *Balance of Trade.* (See also Appendix II.)

The following table, which takes re-exports into account, shows that Egypt had an adverse visible trade balance in 1938 of £E.7.4 millions, the first adverse balance in any year since 1932, when import exceeded export values by about £E.2 millions:—

Exclusive of bullion and specie.

	In 000's of £E.		
	1933.	1934.	1935.
Exports plus Re-exports ...	£E. 28,780	£E. 31,618	£E. 35,410
Imports	26,762	29,248	32,213
Trade balance	+ 2,018	+ 2,370	+ 3,197
	1936.	1937.	1938.
Exports plus Re-exports ...	33,895	39,536	29,364
Imports	31,486	38,017	36,804
Trade balance	+ 2,409	+ 1,519	— 7,440

Although, therefore, the adverse balance in 1938 was considerable, it is hardly a matter for grave concern in view of the fact that the favourable returns for the previous five years together totalled £E.11,513,000.

No authoritative estimate has been made of invisible items or of the final balance of payments. Apart from the unfavourable trade returns, however, the poor tourist season may be mentioned as a factor which weighed against a payments balance in Egypt's favour for 1938.

(c) *Distribution of Trade.* (See also Appendices IV and XV.)

The United Kingdom remains by far the best customer of Egypt and also her leading supplier. The United Kingdom took 33 per cent. (£E.9,436,000) of Egypt's exports in 1938, compared with 32.2 per cent. (£E.12,442,000) in 1937; while imports of United Kingdom goods totalled £E.8,422,000 (22.9 per cent.) in 1938, compared with £E.8,280,000 (21.8 per cent.) in 1937. In Anglo-Egyptian trade the balance was thus substantially in Egypt's favour in both years.

Exports to the overseas Empire increased from 7.6 per cent. (£E.2,938,000) to 8 per cent. (£E.2,297,000), India and Palestine continuing to be the two main outlets. Imports from Empire countries totalled £E.2,145,000 (6 per cent.), compared with £E.2,049,000 in 1937 (5.3 per cent.), the principal suppliers being India, Palestine, Ceylon, Cyprus, British Malaya and Australia. (See Appendices V and XVI.)

Germany took second place in the list of both customers and suppliers. Her purchases from Egypt stood at £E.3,354,000

(11·7 per cent.) in 1938, compared with £E.3,310,000 (8·5 per cent.) in 1937, and her sales to Egypt at £E.3,735,000 (10·1 per cent.) in 1938, against £E.4,198,000 (11 per cent.) in 1937. There was a decline of £E.292,000 in her coal, coke and briquette trade in 1938.

Imports from Italy were slightly lower in 1938 at £E.3,004,000 (8·3 per cent.) compared with £E.3,283,000 (8·6 per cent.), and also her purchases at £E.1,745,000 (6·1 per cent.) against £E.2,392,000 (6·2 per cent.).

Exports to France declined in value from £E.4,245,000 in 1937 to £E.2,318,000 in 1938, due to a fall in her cotton purchases by £E.1,821,000, and France took third place after Germany instead of second. Imports from France increased from £E.1,701,000 in 1937 to £E.1,956,000 in 1938.

Imports from Belgium were lower in 1938, totalling £E.2,074,000 compared with £E.2,289,000 in 1937; and Belgium continued to be a poor outlet for Egyptian produce, her purchases amounting to only £E.465,000 last year compared with £E.800,000 in 1937.

Imports of Japanese goods fell from £E.1,539,000 in 1937 to £E.955,000 in 1938, with further reductions in her sales of cotton piecegoods and silk fabrics. Exports to Japan also declined from £E.2,468,000 in 1937 to £E.1,841,000 in 1938, due to a drop of £E.517,000 in cotton exports to that country.

The adverse visible trade balance with the United States of America increased in 1938, when imports from that country were valued at £E.2,456,000 compared with £E.2,143,000 in 1937, and exports thereto declined from £E.1,556,000 in 1937 to £E.708,000 last year.

The Foreign Trade Commission recently set up by the Government as noted in Chapter I has concerned itself with measures especially to reduce balances unfavourable to Egypt in her trade with various countries.

(d) *Imports.* (See also Appendix III.)

Developments in the leading markets especially those of interest to the United Kingdom are discussed below arranged in alphabetical order. Appendix XIX tabulates the principal lines in which the United Kingdom lost or gained ground in 1938.

Agricultural Machinery.—Values of imports of agricultural machinery, tractors and irrigation pumps, were as follows:—

	1937.	1938.
	£E.	£E.
1. Agricultural machinery	36,692	26,950
2. Tractors	113,850	72,501
3. Irrigation pumps	55,365	87,743
Total	<u>205,907</u>	<u>187,194</u>

Stationary internal combustion engines used to drive irrigation pumps are classified separately, and import statistics are given later.

The good cotton season of 1937-8 enabled farmers to incur greater expenditure on irrigation pumps.

Imports from the United Kingdom in the above totals were valued at £E.41,946 in 1937 and £E.37,195 in 1938 (£E.48,418 in 1936). On a value basis this decline occurred in agricultural machinery and tractors since the value of pump imports from the United Kingdom rose from £E.19,689 in 1937 to £E.23,846 in 1938. Nevertheless, the United Kingdom percentage share in the pump trade fell from 35 per cent. to 27 per cent. between the two years.

Germany's trade in agricultural machinery rose to nearly £E.10,000 in 1938, but fell in tractors from £E.43,898 in 1937 to £E.25,784 in 1938, while her trade in pumps averaged about £E.5,000 in each year.

Switzerland more than doubled her trade in pumps from £E.13,118 in 1937 to £E.31,623 in 1938 (£E.15,264 in 1936), while imports from the United States of America, valued at just over £E.1,000 in 1936, rose to £E.9,356 in 1937 and £E.12,485 in 1938.

Further particulars are given in Appendix XI to this Report.

Air Conditioning Plant.—While both Government and public are beginning to appreciate the virtues of air conditioning, the demand remains small because the cost of installation and upkeep mitigates against its more general use. In the past two years the Government has air-conditioned a few buildings, notably part of the Parliament houses: but there have only been two or three private installations. No statistics are available on the subject, but it is probable that eventually Egypt will become a valuable market for the air-conditioning industry.

Cement.—Imports of cement rose from 34,566 tons, valued at £E.52,705, in 1936 to 41,718 tons, valued at £E.75,342, in 1937 and 47,414 tons, valued at £E.82,507, in 1938.

The United Kingdom share is mainly confined to white and coloured which is not manufactured in Egypt. In 1937 at 12,748 tons, valued £E.24,015, it registered nearly double the quantity imported in 1936; but there was a decline to 10,512 tons, valued at £E.21,982, in 1938 when the United Kingdom fell from first to third place, on a quantity basis, amongst supplying countries, after Yugoslavia and Belgium. Yugoslavia's trade rose from 9,054 tons, valued at £E.10,809, in 1937 to 19,519 tons, valued at £E.24,610, in 1938. It appears that Dalmatian Portland cement, when required for sale in the Alexandria district, can compete in price with the local product manufactured near Cairo.

Chemicals and Pharmaceutical Products.—The total value of the import trade under the statistical chapter "Chemicals and Pharmaceutical Products" was higher in 1937 than the two previous years at £E.799,920 and rose to £E.935,138 in 1938. It does not, however, appear that there has been a comparable rise in public demand. Dealers took in large stocks in 1938 owing first to the international situation, and secondly to the proposals to increase import duties on pharmaceutical specialities. As regards these proposals, a bill is now under examination for the protection of local manufacture of pharmaceuticals.

Imports of unspecified medicines, medicinal preparations and pharmaceutical specialities were valued at £E.377,478 in 1937 and £E.486,353 in 1938, thus accounting for much of the increase in the above total. The United Kingdom's imports rose in value from £E.93,580 to £E.114,949 principally on account of Egyptian Government orders. France again held leading place with £E.111,651 and £E.143,526, and is making efforts to consolidate her position by re-organising her marketing arrangements. Germany was third with imports valued at £E.88,676 and £E.108,026. These figures show decreases in the percentage share of the United Kingdom from 25 per cent. to 23 per cent., and in that of Germany from 23 per cent. to 22 per cent., while the share of France remained steady at 29 per cent. Switzerland, however, improved her position to 10 per cent.

The value of the trade in sera and vaccines amounted to £E.25,629 in 1937 and £E.28,470 in 1938, in which the United Kingdom and Germany each supplied about one-third by value. The products of Germany are, however, cheaper and her imports therefore greater in quantity than those of the United Kingdom. The United Kingdom secures most of the Government demand but local production is increasing under the auspices of the Ministry of Public Health.

Imports of unspecified chemical products were valued at £E.95,746 in 1937 and £E.107,079 in 1938. The United Kingdom share increased in value and percentage from £E.22,967 (24 per cent.) to £E.34,210 (31 per cent.): more competitive prices are being offered by United Kingdom manufacturers. French imports stood at £E.12,258 and £E.12,969, and those from Germany at £E.24,643 and £E.17,380. Supply from the U.S.A. substantially increased from £E.14,968 (16 per cent.) to £E.26,587 (25 per cent.)

The United Kingdom supplies the bulk of the caustic soda (£E.33,640 and £E.38,872) and the compounds of sodium and potassium (£E.26,257 and £E.29,529).

Imports of glycerine are declining steadily due to local production, total values falling from £E.7,494 in 1937 to £E.5,381 in 1938.

Cinematograph Films.—Statistics of imported films possess little real value in indicating competition between supplying countries, since they are classified by country of last provenance. The total imports during 1937 and 1938 remained fairly constant at about 15,500 kilogrammes, valued at £E.92,075, compared to 13,600 kilogrammes, valued at £E.77,850 in 1936.

There are in Egypt about 100 cinemas wired for sound, and it is estimated that during 1937 and 1938, 78 per cent. of the films shown were produced in the U.S.A., 10 per cent. in France and 8 per cent. in the United Kingdom.

As regards local production, the Egyptian public is becoming more critical, and only the best locally produced Arabic films retain their former special appeal, while imported films dubbed into Arabic have not proved very popular. Locally produced films are, however, distributed to all Arabic speaking countries, while those featuring Oriental music are dubbed into Turkish for supply to Turkey.

Coal.—Imports of coal and anthracite during 1937 and 1938 are shown in the subjoined table:—

From	1937.		1938.	
	Metric tons.	Value.	Metric tons.	Value.
		£E.		£E.
United Kingdom ...	956,580	1,461,708	1,205,584	1,578,073
Germany	326,801	436,931	137,879	164,430
U.S.S.R.	6,529	8,640	—	—
Poland	76,558	97,527	111,177	123,885
Other countries ...	1,003	600	18,871*	24,197
Total	1,367,471	2,005,406	1,473,511	1,890,585

* Of which 17,804 metric tons valued at £E.23,673 from Holland.

The United Kingdom tonnage share of the trade showed an expansion of approximately a quarter of a million tons in 1938, rising to 82 per cent. of the total, compared with 70 per cent. in 1937. This satisfactory result may be attributed largely to increased purchases of United Kingdom coal by the Egyptian State Railways, which took 636,804 metric tons in 1938 against 463,783 metric tons in 1937, and also to larger deliveries to industries such as the cement and sugar factories.

The percentage share of Germany fell from 24 per cent. in 1937 to 9 per cent. in 1938.

Deliveries from Poland, on the other hand continue to show a steady increase, having risen from 50,910 metric tons in 1935 to 111,177 metric tons in 1938.

Coke imports were 16,567 metric tons in 1938 valued at £E.30,806 compared with 14,700 metric tons valued at £E.28,885 in 1937, Germany being the principal supplier in both years.

In briquettes, total imports were 57,824 metric tons valued at £E.85,987 in 1938 compared with 52,468 metric tons valued at £E.85,302 in 1937. The United Kingdom supplied 13,810 metric tons valued at £E.20,493 in 1938 against nil in 1937, and Germany 42,363 metric tons valued at £E.63,098 compared with 47,697 metric tons valued at £E.77,766 in 1937.

Confectionery and Chocolates.—The tariff protection accorded to locally-made confectionery and chocolates, already substantial, was increased in July, 1938, by raising the minimum duty in order to check competition in the cheaper qualities.

Nevertheless imports of confectionery increased from £E.22,394 in 1937 to £E.24,462 in 1938 compared with an annual average of £E.21,000 in the previous two years. Supply from the United Kingdom, which represented rather more than 50 per cent., rose proportionately. The import trade in chocolates, while falling from £E.63,756 in 1937 to £E.59,226 in 1938, was also well above the previous average, but the United Kingdom share declined slightly from 65 per cent. to 62 per cent. Imports from Italy increased in value.

Cotton Piece Goods.—Appendix No. VII contains particulars of imports of cotton piece goods in 1937 and 1938 and the shares of the principal supplying countries. The total declined from 169,522,000 square metres, valued at £E.3,830,000, in 1937 to 137,429,000 square metres, valued at £E.2,828,000, in 1938. In view of the important developments which took place in this market during the period under review, it is convenient to consider each year separately.

The increase in imports of cotton piece goods from the United Kingdom in 1936 was not maintained in 1937, the United Kingdom share of the trade declining from 51 million square metres in 1936 to 43 million square metres in 1937.

Very strong competition developed from Italy, whose imports totalled 67 million square metres in 1937, compared with 20 million in 1936. Italian prices were at normal levels during the first half of 1937, but in the summer they began to fall sharply and Italian manufacturers were soon offering quotations very considerably below those of any other European producers, being apparently assisted by the foreign exchange regulations of the Italian Government. The market rapidly became flooded with Italian piece goods.

Competition from India in 1937 was also intense, India's share of the trade rising from nearly 7 million square metres in 1936 to about 19 million square metres in 1937. This was chiefly in grey and bleached goods, a cheap line in the latter

(30 inches to 34 inches widths) being a great favourite with the fellaheen.

Imports from Japan declined from 71 million square metres in 1936 to 20 million in 1937, due to the operation of the special 40 per cent. surtax on Japanese cotton piece goods and rayon goods, which has been enforced since September, 1935.

Imports of cotton piece goods from Hungary and Belgium also declined during 1937: on the other hand Czechoslovakia, Germany, Switzerland, Poland and France each enjoyed a larger share of the trade than in 1936.

At no time during 1937 were payments satisfactory; and the situation deteriorated during the last quarter when a large number of failures took place, especially amongst small wholesalers in cotton piece goods. The books of most of these defaulting firms revealed that their capital was quite insufficient for the volume of the business which they were undertaking; and the total amount of officially suspended payments and private compositions in the textile market was indeed estimated at not far short of one million pounds by the end of 1937. The result of this situation was lack of confidence, further restrictions of credit facilities both by the banks and merchants and disorganisation of the trade in cotton piece goods and yarns.

At the close of 1937 the market held large stocks of cotton piece goods and important quantities of seasonal goods were held over for the following year.

A further drop in the import of cotton piece goods from the United Kingdom took place in 1938, when her share of the trade was only 35 million square metres of the total of 137 million square metres, a decline of over 30 per cent. compared with 1936. This decline may be attributed in the main to the very substantial protective duties on cotton textiles imposed in April, 1938, involving in many cases increases amounting to 100 per cent. It was most noticeable in the heavy grades upon which the new duties fall most severely, United Kingdom imports in this category being just under 5 million square metres, compared with 9 million square metres in 1937. In light weights, the United Kingdom share of the trade was 30 million square metres compared with 34 millions in 1937, the greatest decline here occurring in "dyed in the piece."

The higher scale of duties was also especially damaging to the import of cotton goods from India, whose share of the market in 1938 fell to 5.2 million square metres, or by 70 per cent. compared with 1937. Here the principal declines were in heavy and light greys and light bleached goods.

Despite the new duties, imports from Italy showed an increase from 67 million square metres in 1937 to 70 million in 1938: the Japanese share, however, declined further from 20 million square metres to 10 million.

In general the changes in the customs duties and the growing local production of certain types of cotton goods to which they relate have necessitated considerable readjustment in the import market and concentration on qualities which do not compete with Egyptian factories.

Following the announcement of the import quota agreement reached in principle during November, 1938, between the Egyptian Authorities and the Manchester Chamber of Commerce (see later paragraph on Commercial Missions), much speculative buying took place and the shipment of existing contracts was expedited. Stocks of every description were rushed from Italy, with the result that her import figures showed considerable expansion towards the end of the year. Most of these goods were taken into stock and carried over to the next season.

Total imports of cotton piece goods in 1938 showed a decrease of about 20 per cent. by metrage, due to the abnormal conditions prevailing in the market during the year. Competition from locally manufactured textiles was very keen, retailers working on the narrowest of margins. Demands from consumers were consistently small even in the seasonal months, owing to the low returns obtainable by the fellah for his cotton: but, thanks to the restriction of credit, there were fewer failures in the trade during 1938 compared with the epidemic of 1937.

The close of 1938 found most of the wholesale houses with large accumulated stocks of which there appeared no likelihood of early disposal and a generally pessimistic view obtained as to prospects for the future.

In the first quarter of 1939, the total value of imports of cotton piece goods declined by over £E.200,000 compared with the corresponding period of 1938, a decline shared by all the principal supplying countries with the exception of Switzerland. At the same time, local production of the main factories rose by over 6 million square metres comparing the first quarters of 1937 and 1938.

At the time of writing the market remains overshadowed by the uncertainty as to the position in regard to the cotton quota bill, which has not yet been accepted by the Egyptian Parliament.

Cotton Thread.—The import trade in cotton thread is not yet greatly affected by local production and has averaged about £E.145,000 annually during the past four years. Detailed statistics by countries of supply are given in Appendix VIII. The United Kingdom remains the principal supplier, followed by Italy.

It will be seen that the total value of importation was high in 1935 and 1937 and low in 1936 and 1938. These fluctuations were largely due to the vagaries of the international situation

and the fear that supplies might be cut off by war, which led to over-stocking in the two former years.

The fall in import values from £E.168,000 in 1937 to £E.108,000 in 1938 was general to all countries. The United Kingdom share of the trade decreased from £E.66,970 to £E.39,553: that of Italy from £E.48,208 to £E.34,743, and Belgium from £E.26,777 to £E.11,983.

Cotton Yarn.—While local production of cotton yarn continues to increase, the output of the local cotton fabric factories is rising more rapidly and therefore their demand for yarn. Accordingly there was greater importation of cotton yarn in 1938 than in 1937 (772,541 kilogrammes, valued at £E.111,698), compared with 665,621 kilogrammes, valued at £E.93,444). The United Kingdom is the leading supplier followed by India.

Imports of single cotton yarn rose from £E.23,053 in 1937 to £E.26,828 in 1938, of which approximately £E.12,000 and £E.11,000 respectively was from the United Kingdom. Supply from India also declined in value during 1938.

Doubled cotton yarn was imported to the value of £E.70,391 in 1937 and £E.84,870 in 1938. Here the United Kingdom share was about £E.22,000 and £E.24,000; India £E.21,000 and £E.11,000; Italy £E.12,000 and £E.20,000.

Details by categories are given in Appendix IX.

Electrical Apparatus and Machinery.—It is difficult to give a detailed picture of the import trade in electrical equipment as only a few specific items in this general category are separately shown in the official statistics. Appendix XII serves, nevertheless, to indicate the trend of the trade which increased in total value from £E.569,420 in 1937 to £E.736,437 in 1938. These totals do not include radio apparatus which is discussed elsewhere.

The United Kingdom's share of the trade in generators, motors and transformers decreased in 1938 compared to the previous year, whereas Germany gained ground; imports from all countries amounted to £E.85,376 in 1937 and £E.131,944 in 1938.

Imports of electric wire and cables increased between 1937 and 1938 by over £E.40,000 from £E.114,120 to £E.156,832, and it is of interest to note that the United Kingdom share rose from 5.5 per cent. to nearly 20 per cent. ranking second after Germany with Belgium and France following closely.

Common electric lamp bulbs are manufactured locally in large quantities: the import trade, however, remained steady at about £E.45,000 annually. Import statistics are not given by countries of supply.

Increased supply of electricity in Egypt has stimulated more general use of industrial electrical machinery; but the high cost of current strongly deters a demand for electric household equipment.

Fertilisers.—Imports of chemical fertilisers declined in value from £E.3,389,974 in 1937, which was a peak year in this trade, to £E.2,935,463 in 1938.

The following table shows the principal products imported and the countries of origin:—

(ooo's omitted.)

	1937.			1938.		
	Metric Tons.	£E.	From.	Metric Tons.	£E.	From.
Nitrate of soda, natural ...	232	1,347	Chile.	156	977	Chile.
Nitrate of soda, artificial ...	31	155	U.S.A.	32	148	U.S.A.
Nitrate of ammonia	25	132	Hungary.	15	79	Hungary.
Sulphonitrate of ammonia	6	46	Germany.	10	78	Germany.
Nitro-chalk ...	58	281	United Kingdom.	22	114	United Kingdom.
Sulphate of ammonia	16	98	Belgium. Netherlands. U.S.S.R.	19	123	Belgium. Netherlands. U.S.S.R.
Nitrate of calcium	198	1,112	Germany and Norway.	204	1,280	Germany and Norway.
Superphosphate of lime ...	73	203	Netherlands. Greece. Algeria.	54	129	Netherlands. Greece. Algeria.

As these statistics show, nitrates are the principal fertilisers marketed in Egypt and consumption has been steadily rising for many years past. It is now estimated at about 500,000 tons of nitrate fertiliser annually.

No important changes took place in the fertiliser market during 1937 and 1938 and no new products of importance were introduced. German synthetic nitrate of soda has practically disappeared from the market but the sales of the U.S.A. synthetic nitrate of soda are increasing.

Hungarian nitrate of ammonia ("Pet") continues to be sold by the Crédit Agricole d'Egypte, but the agreement with the bank referred to in the last report in this series, has been extended from five to seven years, with a corresponding reduction of the annual quantity imported.

No new barter business connected with fertilizers has been reported during the two years under review.

The local production of nitrates is now under active consideration by the Government. (See Chapter V.)

Hosiery.—The total value of the import trade in hosiery of all kinds amounted to £E.381,000 in 1937 and £E.309,000 in 1938. While there was a slight increase in 1937 compared with 1936, the growth of the local industry has been reflected in a decline of imports over a number of years.

Imports during 1937 and 1938 respectively of socks and stockings of silk and rayon were principally from the United States of America at £E.17,418 and £E.18,401, followed by Germany with £E.16,082 and £E.14,665. The total value of the trade from all countries increased from £E.51,058 to £E.55,210.

Imports of woollen socks and stockings which amounted to £E.10,118 and £E.11,140 were principally from the United Kingdom.

Imports of cotton socks and stockings from all countries declined from £E.90,277 to £E.57,211: the principal exporters were Italy, whose trade increased from £E.24,586 to £E.28,364, and Japan, whose trade decreased from £E.23,651 to £E.7,514, followed by Czechoslovakia and Germany.

The total value of imports of all types of socks and stockings decreased from £E.151,453 to £E.123,561.

There was also a fall in the trade of other kinds of hosiery of rayon, wool and cotton. The countries that registered a decrease were the United Kingdom, whose trade dropped from £E.46,967 to £E.36,300; Germany, from £E.38,723 to £E.26,923; Czechoslovakia, from £E.20,466 to £E.12,475; and Japan, from £E.16,974 to £E.10,497. The Netherlands increased her trade from £E.19,695 to £E.23,698; Italy, from £E.8,873 to £E.16,428; and France, from £E.9,567 to £E.11,467.

Hospital Equipment and Scientific Apparatus.—Hospital equipment is mainly imported by the Egyptian Government, and there are comparatively few private hospitals. There has recently been considerable extension of Government hospitals with up-to-date equipment.

Imports of medical, surgical, and veterinary apparatus and instruments, amounted to £E.35,787 in 1937 and £E.33,857 in 1939, with United Kingdom participation at £E.15,100 and

£E.18,100 respectively, followed by Germany with £E.12,700 and £E.9,000.

X-ray apparatus and installations are imported mostly from Germany and Holland, and other electro-medical apparatus from Germany.

The value of the imports classified under electro-medical apparatus amounted to £E.24,879 in 1937 and £E.26,544 in 1938.

Imports of scientific apparatus and instruments, including microscopes, amounted to £E.13,365 in 1937 and £E.22,626 in 1938, Germany being the principal competitor to the United Kingdom.

Formerly hospital furniture was imported from Germany and the United Kingdom, but it is now locally manufactured.

Internal Combustion Engines.—Imports of stationary internal combustion engines which rose from £E.162,327 in 1936 to £E.284,916 in 1937 declined to £E.216,862 in 1938.

During 1937 and 1938 imports from the United Kingdom remained steady at a little over £E.131,000 (compared to £E.112,200 in 1936).

Germany's trade declined from £E.40,516 to £E.24,460, and Hungary's from £E.65,703 to £E.8,035, while Switzerland's rose from £E.27,116 to £E.29,871.

Imports into Egypt of portable and semi-portable internal combustion engines were valued at £E.25,285 in 1936, £E.6,960 in 1937 and £E.36,741 in 1938.

Apart from the impetus provided in the irrigation pump market by the good cotton season of 1937-8, there were important orders by the Egyptian Government for internal combustion engines, (See also Appendix XI.)

Machine Tools.—The total value of the import trade in machine tools amounted to £E.35,151 in 1937 and £E.46,083 in 1938.

The United Kingdom's share of the trade increased satisfactorily from £E.13,268 in 1937 to £E.27,790 in 1938, while Germany's remained fairly constant at about £E.9,000. (See also Appendix XI.)

Motor Vehicles (including Motor Bicycles).—The following table of motor vehicles in circulation, while incomplete since it does not include Egyptian Government vehicles, indicates

continued activity in the motor trade during the past three years:—

	Private cars and taxis. 31st December.			Goods vehicles, omnibuses and coaches. 31st December.		
	1936.	1937.	1938.	1936.	1937.	1938.
United Kingdom...	3,553	3,708	3,852	542	578	578
U.S.A. and Canada	13,830	15,734	17,507	3,035	2,981	3,006
Belgian	77	59	43	1	1	1
Austrian	7	6	5	3	2	2
Czechoslovakian ...	49	89	119	—	—	—
French	2,128	2,069	2,024	170	174	153
German	718	1,080	1,532	40	101	150
Italian	4,540	4,442	4,273	74	70	68
Swedish	—	—	—	23	79	111
Unknown	21	34	27	9	5	5
Total ...	24,923	27,221	29,382	3,897	3,991	4,074

Nevertheless, the value of imports of motor cars declined from £E.731,428 in 1937 to £E.672,672 in 1938. The setback was shared by all supplying countries except Germany, whose exports to Egypt rose from £E.41,646 in 1937 to £E.60,400 in 1938. German distributing arrangements were strengthened, and German cars offered at very low prices. It will be seen from the foregoing table that the number of German cars on the road doubled between 1936 and 1938, whilst that of German lorries and buses trebled. Imports from the United Kingdom dropped from £E.94,737 (13 per cent.) to £E.72,629 (11 per cent.); the U.S.A. from £E.496,884 to £E.458,438; Italy from £E.50,736 to £E.40,312; and France from £E.38,906 to £E.29,889. The U.S.A. thus remained as ever by far the largest supplier with about 68 per cent. of the business. Conditions in Egypt favour well-sprung, sturdy and high-powered cars capable of high speeds on the new-made roads across the desert between Cairo, Alexandria and Suez, and capable also of negotiating the sand and rough going of desert tracks.

Since the 1st October, 1938, the annual tax on motor cars has been levied at £E.6 instead of £E.5 in anticipation of the passing of a new law: this has had no noticeable effect on the import trade.

Imports of motor lorries and omnibuses rose in value from £E.251,392 in 1937 to £E.377,936 in 1938. Supply from the United Kingdom mounted from £E.39,117 to £E.54,595 between the two years; but the United Kingdom percentage share fell from 15.5 per cent. to 14.4 per cent. Imports from the U.S.A. rose from £E.118,440 or 47 per cent. in 1937 to

£E.268,095 or 70 per cent. in 1938. The gains by the U.S.A. mainly represent large orders placed by the Egyptian Ministry of National Defence. German commercial vehicles showed a big decline in import values (from £E.57,723 to £E.38,281) as also did Swedish. The fall in the German import is surprising in view of the large increase in German vehicles on the road shown in the table above. It appears that German values per unit declined substantially in 1938 and also that many vehicles imported in 1937 came into circulation in 1938.

Imports of spare parts and accessories were valued at £E.119,085 in 1937 and £E.165,676 in 1938.

Motor cycling is not popular in Egypt and the market is mainly confined to the Egyptian Government. The value of imports (including side-cars and spare parts) amounted to £E.21,862 in 1937 and £E.30,225 in 1938. The United Kingdom was the principal supplier.

Paints and Varnishes.—Imports of paints and varnishes during the last four years have remained fairly constant at an average of about £E.110,000 per annum: the figures for 1937 and 1938 were £E.115,815 and £E.104,602 respectively.

"Varnishes, lacs, and siccatives" are imported principally from the United Kingdom whose share of the trade amounted to 63 per cent. in 1937 and 55 per cent. in 1938, out of totals of £E.27,203 and £E.29,151 respectively. Belgium is the leading competitor. "Oil paints and enamel paints" are also supplied principally from the United Kingdom whose share fell from 60 per cent. in 1937 to 55 per cent. in 1938, out of totals of £E.48,051 and £E.43,362 respectively. Germany, France and Italy, each accounted for about two to four thousand pounds of the imports yearly. Zinc oxide comes mainly from Belgium: the totals were £E.13,177 and £E.8,529 in 1937 and 1938 respectively.

Amongst other items under this statistical heading fall "colours in receptacles, or in cakes, including dyes for cloths" (£E.13,452 and £E.11,627) and natural and artificial ultramarine (£E.13,932 and £E.11,933).

The local industry continues to make headway: production statistics are not available but large quantities of paints and varnishes are prepared in Egypt, finding a ready sale owing to their cheapness.

Paper and Stationery.—Particulars of the imports of paper and stationery from the United Kingdom are not available, but her share of the trade is, in any case limited to a few high-grade items.

The total import value rose from £E.691,000 in 1936 to £E.1,157,000 in 1937, but fell to £E.892,000 in 1938, the fluctuations being largely due to price variations.

Paper is imported principally from the following countries: Finland (£E.151,000 in 1938); Sweden (£E.113,000); Germany (£E.95,000); Netherlands (£E.45,000); Italy (£E.33,000); and Norway (£E.24,000). Supply from Italy is nearly all in cigarette paper, of which she provides 60 per cent. of the import.

Petroleum Products.—The oilfields in Egypt do not as yet produce sufficient crude oil to provide the country's requirements, and various petroleum products are consequently imported from abroad.

The principal products imported into Egypt during 1937 and 1938 are given hereunder.

Article.		Metric tons.	Value in £E.	Principal countries of supply.
Crude petroleum and mineral oils for refining.	1937 1938	106,966 106,024	207,000 207,000	Iran.
Benzine	1937 1938	28,022 33,250	156,000 166,000	Roumania, Dutch East Indies.
Kerosene	1937 1938	288,746 308,875	1,176,000 1,136,000	Roumania, U.S.S.R. and Iran.
Lubricating oils ...	1937 1938	21,469 20,809	229,000 228,000	U.S.A., Roumania, United Kingdom and Belgium.
Fuel oils	1937 1938	245,166 229,113	585,000 649,000	Dutch East Indies, Iran and Roumania.

Further information regarding the petroleum market in Egypt will be found in Chapter V.

Pipes, Cast Iron or Steel.—Statistics of the imports into Egypt of iron and steel pipes and tubes are given in Appendix No. XIII. There has been a steep rise in their total value from £E.159,000 in 1936 to £E.227,000 in 1937 and £E.409,000 in 1938. The rural water works programme of the Government is no doubt responsible for this expansion: pipes to the value of £E.400,000 were ordered in 1938 for the contracts in this programme at Fayoum and Bosat.

The United Kingdom share at £E.70,000 to £E.92,000 fell from 30 per cent. to 22 per cent., and Germany, second in 1937, became the largest supplier in 1938 at £E.115,000. Imports from France rose from £E.23,000 to £E.76,000. The appendix indicates the types of pipe in which this competition occurred.

Provisions.—It is not possible to furnish a detailed account by countries of supply of the trade in provisions; but the fact that total imports under the general heading "Products of the Food Preparing Industries" (see Appendix III) rose from £E.1,832,000 in 1936 to £E.2,284,000 in 1938 indicates that

there is a rising trend. This general heading includes alcoholic beverages, confectionery and other items of importance to the United Kingdom which are discussed separately in this report: otherwise participation from the United Kingdom therein is small. Thus while the value of the imports of all kinds of prepared fish and meat totalled £E.159,000 in 1937 and £E.170,000 in 1938, the United Kingdom share is only given separate mention in the official statistics under the sub-heading "Prepared Meat," where it is valued at £E.7,000 and £E.11,000 respectively out of totals of £E.18,000 and £E.22,000.

Again under "Preparations from Flour," sub-heading "Bakers' fancy wares," the United Kingdom import values are given as £E.20,000 and £E.19,000, compared with totals for the heading of £E.47,000 and £E.49,000, while in tinned fruits and vegetables of all kinds with total imports of £E.88,000 and £E.74,000, the United Kingdom appears only under the sub-heading "Jams and Jellies", supplying £E.9,000 in 1937 and £E.8,000 in 1938.

Radio Apparatus.—The total imports of radio sets rose from 15,267 units, valued at £E.106,837 in 1936, to 20,080 units, valued at £E.125,066 in 1937, but decreased to 17,633 units, valued at £E.107,935 in 1938. Statistics of imports by countries are given in Appendix XII; 72,400 receiving licences were current on the 1st May, 1938, compared with 62,000 a year before.

Various reasons are advanced for the decline in imports during 1938; perhaps the most cogent is that the financial position of many small dealers, especially in the provinces, has deteriorated and their credit facilities have been cut down.

It is of interest that United Kingdom manufacturers are gaining ground steadily: their percentage of the trade rose from 11 per cent. in 1936 to 13 per cent. in 1937 and 15 per cent. in 1938. As regards their competitors, Germany's share rose from 8 per cent. to 9 per cent., that of the U.S.A. (the largest supplier) decreased from 45 per cent. to 42 per cent. and that of the Netherlands (the second largest) from 26 per cent. to 25 per cent.

Rayon Yarns and Fabrics.—(a) *Yarns.*—There was a further substantial increase in imports of rayon yarn, due to development of the local weaving factories; but a slight fall in 1938.

The figures are as follows:—

	<i>Year.</i>				<i>Tons.</i>	<i>£E.</i>
1935	920	106,000
1936	1,076	116,000
1937	1,875	262,000
1938	1,737	226,000

Italy supplies 60 per cent. of the demand, followed by Japan: there is a small but increasing import from the United Kingdom (valued about £E.14,000 in 1938). Japan's share, which was greatest in 1935 with 387 tons, fell to 156 tons in 1938.

(b) *Rayon fabrics*.—While rayon fabrics are increasing in popularity in Egypt, the local industry has seriously affected the import trade, as the following figures indicate:

	Year.				Tons.	£E.
1935	1,744	543,000
1936	707	270,000
1937	543	319,000
1938	308	183,000

The value of imports from Japan decreased steadily from £E.412,000 in 1935 to only £E.19,000 in 1938 owing to the depreciated currency surtax. Imports from Italy amounted to 97 tons valued at £E.51,000 in 1938, and imports from France, 71 tons valued at £E.53,000. There is little supply from the United Kingdom.

Ready-made Clothing and other Made-up Textiles.—The total value of imports of ready-made clothing of wool, cotton, silk and rayon stood at £E.116,500 in 1937 and £E.115,900 in 1938 compared with £E.95,000 in 1936. About 40 per cent. of this total is in articles of wool.

The United Kingdom share of the whole is mainly in such woollen goods: it amounted to £E.17,000 in 1937 and £E.16,600 in 1938, less by value than in the two previous years. Czecho-Slovakia was the United Kingdom's principal competitor, but a number of countries supply ready-made clothing.

Underclothing is separately classified: imports amounted to £E.19,300 in 1937 (United Kingdom, £E.2,600) and £E.17,300 (United Kingdom £E.2,900) in 1938.

A number of other made-up textile articles, such as household linen, neckties, handkerchiefs, are shown under specific heads in the statistics, usually without indication of countries of supply. Their total import value amounts to about £E.138,000, of which some 20 per cent. is supplied from the United Kingdom.

Road-making Machinery.—There are no special statistics of imports of road-making machinery, but important purchases have recently been made by the Roads and Bridges Department of the Egyptian Government (principally diesel road rollers) and by leading contractors. (See Chapter VII—"Roads.")

Sacks, Jute.—India's share of the import trade in jute sacks amounted to about 95 per cent. in 1937 and 1938, the total value of importation being £E.500,000 and £E.547,000 respectively.

The rise in the value was mainly due to the increasing requirements of the Egyptian Ministry of National Defence.

Sanitary Ware and Fittings.—The following table covering leading items of sanitary ware reflects a marked decline in importation:—

	1937. £E.	1938. £E.
Sanitary appliances of stoneware and fireclay	15,722	10,359
Sanitary appliances of faience and porcelain	18,387	14,037
Flush boxes	7,812	7,017
Bath tubs... ..	10,312	6,667

A quantity of cheap stoneware goods was supplied by Hungary in 1937.

In porcelain goods the local industry is gaining ground, and secures the orders of certain Government Departments. Local production of flush boxes and many kinds of sanitary fittings, such as taps and showers, has also affected the import market.

United Kingdom participation appears satisfactory, but the market might repay further study.

Silk Yarns and Fabrics.—(a) *Yarns.*—Imports of silk yarn showed a further increase in 1937 totalling £E.180,122, as compared to £E.152,193 the previous year, but fell away to £E.177,590 in 1938.

Japan's trade decreased substantially between 1937 and 1938, while China's rose, taking first place. Italy, though a comparatively minor supplier, made headway.

(b) *Silk fabrics.*—The import trade in silk fabrics continues to give way to local industry and only the finest fabrics now come from abroad. The total value of imports amounted to £E.227,165 in 1937 and £E.175,472 in 1938.

Tussore silk was supplied principally from Japan, to a total value of £E.167,201 in 1937 and £E.129,457 in 1938. Other silk fabrics came principally from France (£E.30,591 in 1937 and £E.22,099 in 1938) and Japan (£E.14,780 and £E.11,895) out of totals of £E.59,586 and £E.45,831.

Soap.—The value of the import trade in soap increased progressively from £E.108,000 in 1936, to £E.146,600 in 1938, despite headway made by the local industry.

The increase occurred mainly in olive oil soap from Palestine, valued at £E.36,000 in 1937 and £E.57,300 in 1938, resulting from the trade agreement between the two countries and an improvement in the Palestinian product.

Imports from the United Kingdom rose in value from £E.61,700 in 1937 to £E.65,100 in 1938, an improvement compared to the two previous years. Her percentage share in toilet and medicinal soap decreased from 90 per cent. to 81 per cent.: in common hard soap it remained steady at 80 per cent.

Imports of common hard soap from Greece decreased sharply.

Sports Goods.—Although the population of Egypt numbers 16,000,000 the potential market for sports goods is still limited. However, with encouragement of the Ministry of Education, more and more young Egyptians are taking part in games and gymnastics, thus creating a mounting demand for sports goods.

The total value of importation in which the United Kingdom accounts for 80 per cent., was £E.25,820 in 1937 and £E.29,887 in 1938. Competition between dealers is very keen.

Tea.—In spite of the increases in the tea duty imposed in 1935 and 1936, imports have continued to expand as shown by the following table covering the past four years:—

1935.	1936.	1937.	1938.
Kilogrammes.	Kilogrammes.	Kilogrammes.	Kilogrammes.
6,134,168	6,965,284	7,291,353	7,882,663

The value of imports from the principal supplying countries was as follows in 1937 and 1938:—

Country.					1937.	1938.
					£E.	£E.
United Kingdom	...	...	...	...	23,080	18,280
India	...	...	...	...	5,821	17,567
Ceylon	...	...	...	...	135,821	163,808
China	...	...	...	...	2,218	1,363
Japan	...	...	...	...	31,129	16,737
Dutch East Indies	...	...	...	...	558,465	601,440
Other countries	...	...	...	...	34,978	12,052
Total					791,512	831,247

Java and Sumatra teas supply the bulk of this market in Egypt because the Egyptian market always favours the cheapest lines. However, the arrivals of Japanese tea which showed a considerable increase in 1937, fell off in 1938.

Textile Machinery.—The demand for textile machinery is at present considerable, in view of the expansion of the local industry (see Chapter V), and is likely to continue so long as the promotion of textile factories remains attractive.

Imports of spinning plant are not separately classified; but United Kingdom manufacturers appear to have secured most of the recent orders including those for four important mills.

Weaving machines are also supplied mainly from the United Kingdom, and the United Kingdom percentage share is usually greatest when imports for large installations swell the total. Thus in 1935 the total value of importation was £E.183,000 and the United Kingdom share 64 per cent.; 1936 £E.97,000 and 43 per cent.; 1937 £E.253,000 and 73 per cent.; and 1938 £E.184,000 and 47 per cent. Germany is the chief competitor increasing both the absolute value and percentage share of her imports in 1938 to £E.40,000 (United Kingdom, £E.87,000). There is also competition from France.

Knitting machines are principally required by small concerns making knitted clothing and hosiery. The total value of imports was £E.12,000 in 1937 and £E.22,000 in 1938. About 50 per cent. usually comes from Germany, and about 20 per cent. from the United Kingdom. (See also Appendix XI.)

Timber.—The value of the import trade in timber is about £E.1,500,000 per annum.

The United Kingdom contribution is trifling, and consists principally of mahogany and teak re-exports, for which the demand is, in any case, limited.

Pine and fir are imported principally from Sweden, Finland and the U.S.S.R.; whitewood from Roumania and the U.S.S.R., and railway sleepers from Yugoslavia.

Tyres and Tubes, Pneumatic.—There has been a steady increase in imports of pneumatic tyres and tubes for motor vehicles from an annual average of about £E.122,000 to £E.131,555 in 1937 and £E.190,389 in 1938.

This increase was general to all supplying countries except the United States of America, whose trade has declined from £E.34,267 in 1937 to £E.24,375 in 1938. The United Kingdom is the leading supplier with shares of 37 per cent. (£E.48,158) in 1937 and 40 per cent. (£E.75,598) in 1938. Italy was third with £E.12,523 and £E.16,675 in the two years followed by Belgium and Germany.

Tyres and tubes for pedal cycles are imported to a total value of some £E.15,000 annually, of which about half comes from the United Kingdom.

Wines and Spirits.—The total value of all categories of alcoholic beverage imported amounted to £E.434,000 in 1936, £E.444,000 in 1937 and £E.398,000 in 1938.

In beer, totalling £E.67,338 in 1937 and £E.82,328 in 1938, the United Kingdom share rose from 70 per cent. (£E.47,291) to 80 per cent. (£E.65,631), principally for supply to the British

Forces stationed in Egypt. Supply from Germany and the Netherlands declined owing to competition from local breweries.

Whisky imports, practically all from the United Kingdom, decreased in value from £E.125,094 in 1937 to £E.102,422 in 1938. The increase in alcohol duty during June, 1938, is partly responsible, but an important factor was a recrudescence in the falsification of whisky. New laws now under consideration will facilitate the control of this form of fraud.

The value of brandy imports, chiefly from France and Greece, fell from £E.100,127 to £E.64,305.

Gin imports are again mainly from the United Kingdom, and appear little affected by the higher alcohol duty since the value of the trade remained steady at about £E.10,000 in each of the two years under review.

In still wines (£E.107,006 in 1937 and £E.108,424 in 1938) Cyprus remained leading supplier at £E.40,265 and £E.41,988. Greece, Italy and France are the other countries participating.

About £E.15,000 worth of champagne was supplied in each year mainly from France.

Woollen Piece Goods.—The total import trade in woollen piece goods, pure and mixed with other yarns, declined from 2,000,112 kilogrammes, valued at £E.1,145,969, in 1937 to 1,645,615 kilogrammes, valued at £E.860,755, in 1938.

Detailed statistics are given in Appendix X.

In pure wool fabrics imports increased sharply from £E.473,050 in 1937 to £E.510,774 in 1938, the United Kingdom percentage share being 59·3 per cent. and 58·4 per cent. respectively and that of Japan 13 per cent. and 11·5 per cent. By values, the United Kingdom, Italy and France benefited, while Japan, Germany and Czechoslovakia lost ground.

In mixed wool fabrics on the other hand there was a considerable import decline from £E.672,919 in 1937 to £E.349,981 in 1938, due no doubt to the new tariffs imposed on mixed woollens in December, 1937. Here the United Kingdom percentage share rose from 40·6 per cent. to 41·3 per cent., and that of Italy from 18·7 per cent. to 26·1 per cent., while Japan's share fell from 28·8 per cent. to 20 per cent.

Woollen Blankets.—Imports of woollen blankets increased in value from £E.37,839 in 1937 to £E.46,720 in 1938, the United Kingdom supply rising from £E.14,390 to £E.27,298.

(e) *Exports.* (See also Appendix XIV.)

Notes on the principal exports are contained in the following paragraphs also arranged in alphabetical order. Appendix XIX shows the principal increases and decreases in exports to the United Kingdom during 1938.

Cotton.—The following table shows the quantity and value of exports of raw cotton during the year 1937 and 1938:—

	1937.	1938.
Cantars	8,900,076	7,936,675
Value £E	29,002,361	21,189,544
Average price obtained per cantar	\$16.10	\$13.35

The decline in value of £E.7,812,817 was thus due partly to a fall of approximately one million cantars in the quantity exported and partly to the lower prices obtained. It must, however, be remembered that 1937 was a record cotton year.

Cotton still continues to account for three-quarters of Egypt's exports, the percentage having been 78 per cent. in 1936, 75 per cent. in 1937, and 74 per cent. in 1938.

Appendix No. XVII gives details of the quantities and values of cotton exports in 1937 and 1938 and the principal purchasing countries. Exports in 1939 to the end of April totalled 3,329,000 cantars, compared with 2,874,000 cantars during the corresponding period of 1938.

Cottonseed, Cottonseed Oil and Cottonseed Cake.—Total export values of these commodities are given in the subjoined table. Exports of cottonseed and cottonseed oil declined in value; but there was a slight increase in the volume of exports of cottonseed, prices being lower. The recovery in exports of cottonseed cake, which commenced in 1934, has continued.

Commodity.	1937 Value.	1938 Value.	Increase (+) or Decrease (—) in 1938.
	£E.	£E.	£E.
Cottonseed	1,850,016	1,590,162	— 259,854
Cottonseed oil	300,113	202,601	— 97,512
Cottonseed cake	888,667	914,002	+ 25,335
Total	3,038,796	2,706,765	— 332,031

The United Kingdom again took nearly the whole of the cottonseed exports in both years, her imports being valued at £E.1,784,885 and £E.1,453,187 respectively.

Exports of cottonseed oil to the U.S.A. declined in value from £E.206,102 in 1937 to £E.14,748 in 1938, but this was partly offset by a strong demand from Germany, whose purchases rose from £E.7,581 in 1937 to £E.130,027 in 1938. Exports to the United Kingdom also increased from £E.11,202 to £E.32,686.

The United Kingdom takes between 80 per cent. and 85 per cent. of the cottonseed cake exports, her purchases in 1938 being valued at £E.830,494, compared with £E.783,756 in 1937.

Eggs.—Exports of eggs in shell declined from 58 millions, valued at £E.116,578, in 1937 to 38.4 millions, valued at £E.77,757 in 1938, the United Kingdom, Palestine, Gibraltar, and Malta being the principal purchasers. Exports of eggs, shelled and yolk, amounted to £E.34,676 in 1938 compared with £E.31,988 in 1937.

Onions.—The 1938 export season was a good one and better prices were obtained than was the case in 1937. Total exports in 1938 amounted to 143,619 metric tons, valued at £E.929,496, compared with 133,272 metric tons, valued at £E.645,194, in 1937. The following table of exports shows that the United Kingdom and Germany are the two principal customers:—

To	1937 Value.	1938 Value.	Increase (+) or Decrease (—) in 1938.
	£E.	£E.	£E.
United Kingdom	318,063	400,673	+ 82,610
Germany	70,739	125,637	+ 54,898
Netherlands	28,416	72,941	+ 44,525
France	30,959	43,040	+ 12,081
Belgium	17,156	30,370	+ 13,214
Italy	49,627	30,081	— 19,546
British Malaya	31,132	16,895	— 14,237
Total (including other countries)	645,194	929,496	+ 284,302

The arrangement whereby the Egyptian Government financed the export of onions to Germany through a blocked mark account was discontinued in 1938, the balance due to Egypt having been liquidated.

Rice.—Owing to the shortage of water in 1937 and the consequent restriction of the acreage under rice, the following year's exports were much below the 1937 figures. Total exports were 150,767 metric tons, valued at £E.1,345,879, in 1937, and 65,416 metric tons, valued at £E.684,354, in 1938. The principal purchasing countries were:—Belgium, France, the Netherlands, Greece, Syria, Palestine, Roumania, Chile and Tunisia.

With the reduction of the United Kingdom import duty on rice under the Anglo-American Trade Agreement, Egyptian exporters are again hopeful of finding a market there.

Wheat.—Exports of wheat declined from 27,452 metric tons, valued at £E.249,460, in 1937 to 8,734 metric tons, valued at £E.78,808, in 1938. The principal outlets for Egyptian wheat in 1937 were Cyprus, Belgium, Germany, the Netherlands, Palestine and Spain.

Sugar and Molasses.—Refined cane sugar exports declined from 44,893 metric tons, valued at £E.347,617, in 1937 to 17,461 metric tons, valued at £E.148,652, in 1938, the chief purchasers being Iraq, Morocco (French) and Palestine. Not included in the above figures are exports of Egyptian sugar to the Sudan, valued at £E.314,674 in 1937 and £E.343,789 in 1938.

Exports of molasses were valued at £E.52,470 in 1938 compared with £E.36,038 in 1937, the United Kingdom being the principal purchaser.

Metallic Ores (Manganese).—There was a considerable decline in exports under this heading, the 1938 total being only 56,301 metric tons, valued at £E.51,569, compared with 207,217 metric tons, valued at £E.154,614 in 1937. The United Kingdom continues to be the principal purchaser of manganese, taking 40,664 tons, valued at £E.37,569 in 1938. Belgium also takes considerable quantities. Exports to Italy have recently declined.

Phosphate of Lime.—Exports in 1938 totalled 402,756 metric tons, valued at £E.307,183, against 447,399 metric tons, valued at £E.355,143 in the preceding year. Japan took about 70 per cent. of the total in 1937 and 45 per cent. in 1938, other purchasers being Ceylon, Belgium, Greece, and Italy.

Yarn, Cotton.—Exports of cotton yarn declined from £E.232,439 (two million kilogrammes) in 1937 to £E.48,247 (less than half a million kilogrammes) in 1938. Turkey purchased about 90 per cent. of the total exported in both years, and her smaller offtake was thus responsible for the fall.

Other Commodities.—Other exports which registered increases in 1938 compared with 1937 were oranges and mandarines (see Chapter VI), asphalt and flax, whilst the other principal decreases were in respect of barley, bran, cigarettes, hides and skins, raw wool and rags.

Export Bounties.—Apart from that on citrus fruits discussed in Chapter VI no export bounties have been accorded by the Egyptian Government since 1937.

(f) *Re-exports and Transit.*—Re-exports from Egypt were valued at £E.777,000 in 1938 against £E.871,000 in 1937. Statistics by countries are given in Appendix XVIII. Twenty-five per cent. of the re-export trade went to Palestine in 1938. Transit trade amounted to 1,842,119 metric tons in 1938 compared with 2,100,040 metric tons in 1937. Detailed statistics are not available.

(g) *Trade between Egypt and the Sudan*.—Following the visits to the Sudan in 1935 and 1937 of an Egyptian commercial mission, and the return visit by a Sudanese mission in 1936, it was decided that the Permanent Committee for Strengthening Trade Relations between Egypt and the Sudan which existed under the aegis of the Royal Agricultural Society, should be attached to the Ministry of Commerce and Industry, and a new section was created in the Ministry with the object of assisting the Committee. At the same time the Government authorised an annual credit of £E1,000 to provide for the Committee's expenses.

The Egyptian Government has appointed an Economic Expert to reside at Khartoum.

A small permanent exhibition of Egyptian industries was opened in Khartoum early in 1938.

In order to develop closer commercial relations between Egypt and the Sudan, instructions were issued to the purchasing departments of the Egyptian Government in 1937 to the effect that in adjudications preference should be accorded to Sudanese products over foreign products of similar price and quality.

Since April, 1938, the whole of the excise duty on Egyptian cement exported to the Sudan is refunded, instead of a part only as heretofore.

Egypt's principal exports to the Sudan are refined cane sugar, cigarettes, soap, silk and rayon goods, cotton piece goods, and footwear, and her purchases, cattle and sheep, native butter, beans, chickpeas, dates, millet, ground nuts, sesame, dyeing and tanning extracts, and hides and skins.

(h) *Commercial Missions*.—During December, 1937, a trade mission headed by Sir Thomas Barlow, K.B.E., past president of the Manchester Chamber of Commerce and chairman of the Lancashire Industrial Development Council, visited Egypt under the aegis of the Manchester Chamber of Commerce. The mission was unofficial and was primarily undertaken to develop personal contacts between Egyptian cotton growers and exporters and the Lancashire textile trade; but it lost no opportunity of urging upon the Egyptian authorities the importance of placing Lancashire's export trade to Egypt on a more satisfactory basis.

Subsequently the substantial increase in the import duties on cotton piece goods imposed in April, 1938, was the subject of much criticism in Lancashire, in view of their very damaging effect on supply from the United Kingdom, and the Egyptian Government invited the Manchester Chamber of Commerce to send a second mission to Egypt to discuss the whole question.

This invitation was accepted and a delegation, again headed by Sir Thomas Barlow, and accompanied by two officials of the Board of Trade in an advisory capacity, arrived in Egypt in October, 1938. As a result of the discussions which took place an agreement was reached in principle early in November, 1938, for the establishment of a quota system to regulate future imports of cotton piece goods based on each supplying country's purchases of Egyptian raw cotton. Under this agreement, the total permissible import was to be 140 million square metres in 1939 (with the possibility that the figure might be raised to 150 millions if considered necessary) allotted among the supplying countries in proportion to each country's takings of Egyptian cotton during the three preceding cotton seasons.

It is, however, necessary for the Egyptian Parliament to enact legislation authorising the introduction of a quota system before the agreement can come into operation, and, although at the time of writing (June, 1939) a Bill for this purpose has been passed by the Chamber of Deputies, the Senate has yet to give its approval.

(i) *Commercial Agreements.*—(a) **United Kingdom and Eire.**—The provisional commercial conventions between Egypt and the United Kingdom and Egypt and Eire, granting reciprocal most-favoured-nation treatment, which were concluded by notes exchanged in July, 1930, and have since been renewed annually, were further renewed in 1939 for a period of one year ending on the 16th February, 1940.

(b) **Union of South Africa.**—Negotiations are proceeding for the conclusion of a separate commercial convention between Egypt and His Majesty's Government in the Union of South Africa on the basis of most-favoured-nation treatment.

(c) **Cyprus and Palestine.**—Negotiations have also been in progress between the Government of Egypt and the Governments of Cyprus and Palestine for the conclusion of further agreements to improve the trade relations between these countries.

(d) **Iraq.**—A provisional commercial agreement was concluded between Egypt and Iraq by an exchange of notes on the 16th May, 1938. The agreement accords mutual most-favoured-nation treatment, subject to special exceptions in respect of neighbouring territories.

V.—INDUSTRY AND PRODUCTION.

General.—The Egyptian Government continues actively to foster the establishment and extension of local industry. The system of advances to promoters through the Misr Bank has

been maintained: their total stood at £E.1,136,759 at the close of 1938. The Government have not hesitated to protect local manufacturers by high tariff walls even in the face of such opposition as, for example, met the increased duties on cotton piece goods. That industrialisation is progressing, the rising raw material imports and declining imports of competitive goods clearly indicate. Progress is, however, slow. Considerable capital investment is necessary and the liquid funds available for the purpose in the country are insufficient or at least difficult to attract. Reliance must to a great extent be placed on the participation of foreign capital which has recently no doubt been deterred by international uncertainties. The type of industry most likely to succeed is evidently that which draws its raw materials from the country: particularly since Egypt's resources are mainly agricultural, those based on produce of agriculture. The growing textile industry is an example.

The industrial subsidiaries of the Misr Bank (see the previous reports) have been increased by the addition of companies extracting vegetable oil; manufacturing cigarettes; exploiting marble quarries; and producing woollen textiles. Including the Bank itself, the Misr group now comprises no less than 19 companies with a total authorised capital of over £E.4,000,000. Projects are in contemplation by the Bank for the manufacture of pharmaceutical goods and the canning of fruit and vegetables.

Textiles and Allied Industries.—The past two years have been marked by great activity and important developments in the local textile industry.

Eight new textile companies were formed during 1937 and 1938 with a total authorised capital of £E.616,000, and four textile companies increased their authorised capital during the same period by a total of £E.472,000.

(a) **Cotton.**—Production by the local industry continues to make progress under the protection of a high import tariff. The following table shows the output of cotton yarn and piece goods by the principal local factories during the past five years and the first quarter of 1939:—

Year.				Cotton yarn. Kilogrammes.	Cotton piece goods. Square metres.
1934	...	...	...	12,000,000	37,500,000
1935	...	...	...	13,000,000	34,500,000
1936	...	...	...	17,000,000	54,500,000
1937	...	...	...	17,500,000	64,000,000
1938	...	...	...	20,700,000	66,250,000
1939 (1st quarter)	...	...	...	5,674,000	22,317,000

To the above must be added the production of piece goods by the smaller factories and the hand industry, which is roughly estimated at about 30 million square metres per annum. It will thus be seen that the output figure for piece goods has now almost reached 100 million square metres.

As regards other cotton textile manufacturing companies it is noteworthy that the authorised capital of the Société Égyptienne des Industries Textiles, S.A.E. (an affiliated company of the Filature Nationale d'Égypte), has been raised from £E.80,000 to £E.500,000.

It seems clear that the Egyptian cotton textile industry will continue to expand and to supply an ever-increasing proportion of the local demand to the detriment of the import trade. When the Kafr el Dawar mills are complete Egypt will be capable of producing practically all types of cotton textile goods; and it is expected that in 1939 local production will exceed imports in yardage.

Cotton yarns are manufactured locally for the Egyptian industry. A wide range is covered varying from No. 3 to No. 80, single, double, raw, bleached or dyed. (See also under Exports—Chapter IV.)

Both of the principal cotton spinning and weaving companies possess their own dyeing, bleaching and printing houses equipped with up-to-date machinery.

Medical Cotton Wool.—The medical cotton wool plant attached to the works of the Société Misr pour la Filature et le Tissage (a subsidiary of the Banque Misr) has recently increased its production to about 2,000 kilogrammes per day, a quantity sufficient to meet the demands of the Egyptian market.

Underwear, Hosiery, etc.—The Misr Company have also established a mill (the largest of its kind in Egypt) for the production of all kinds of cotton underwear and men's hosiery.

Mosquito Netting and Lace.—Production of certain types of nets by the Misr Company has commenced and the manufacture of all kinds of lace will begin in the near future.

Sewing Thread.—The Company has likewise started the production of all kinds of thread used on the local market, including glazed or ordinary, and coloured, in skeins or on reels.

(b) **Woollens.**—Hitherto Egypt has not been a producer of woollens; but the Société Misr pour la Filature et le Tissage has recently established a woollen goods factory at Mehalla El Kobra and production has commenced. It comprises sections for raw wool scouring, spinning, weaving, dyeing and finishing.

Three other factories are in course of erection, including that of the Société Egyptienne de Filature et Tissage de Laine, which was formed in 1937, with an authorised capital of £E.40,000.

(c) **Silk.**—No new companies have been established for the production of silk goods during the past two years. Total output stood at about three million square yards in 1937 and 1938, while imports of silk yarn have remained steady at about 300,000 kilogrammes annually.

Silk worms are reared by fellaheen in Menoufieh province, the cocoons being reeled in small factories. This industry is in a backward state and official proposals for its development are under examination.

(d) **Rayon.**—More than 15 factories of varying size have been erected during the past few years for production of rayon goods and cut-throat competition has resulted. Their progress is indicated by a rise in imports of rayon yarn from 634 tons in 1933 to 1,737 tons in 1938. Output increased from 9,000,000 square yards in 1937 to 12,000,000 in 1938.

(e) **Linen.**—No developments of importance have been reported in the flax industry. Total output is given as 500,000 square yards in 1937 and in 1938.

Twine.—The Misr Company's twine factory at Mehalla El Kobra produces packing twine for the local market, supplying the Egyptian Government, the cotton ginneries, the Sugar Company and other large consumers. Output is estimated at 650,000 kilogrammes per annum from about 750 tons of flax and flax waste.

(f) **Miscellaneous.**—*Knitted Cloth.*—There are a large number of factories in Egypt producing knitted cloths and garments, underwear and hosiery, and the industry is steadily increasing its production to meet the needs of the country. The principal factory produces 96,000 dozens of socks and 72,000 sets of underwear annually.

Ribbons and Braids, Cords and Tassels.—Two new factories have recently been added to the number already established for the manufacture of ribbons and braids of cotton, artificial silk, natural silk, or wool. A cord and tassels industry is also being established in Cairo and Alexandria, using both mechanical and hand looms.

Blankets—Woollen and Cotton.—It was suggested in the previous report that local production was already sufficient to meet local demand for the lower-grade blankets. It is likely that competition will now develop with the finer qualities since the factory of the Société Misr pour la Filature et le Tissage at Mehalla El Kobra has now reached production stage. It is

equipped with 600 looms and modern machinery for spinning the requisite yarns, and has a daily output of about 1,000 blankets.

Jute.—Proposals are on foot for the establishment of a jute factory in Egypt. Jute sacks to the value of £E.500,000 are at present imported annually, used principally for fertiliser and seed packing and for revetment of the Nile banks. Demand is increasing on account of A.R.P. and defence measures. Five hundred feddans of experimental jute have been satisfactorily cultivated in Egypt, and it is suggested that the Sudan might also be tapped for jute.

Minerals and Metals.

Petroleum Products.—(a) *Exploration.*—Early in 1937 the Egyptian Government revised the regulations governing oil exploration, prospecting and mining. Petroleum exploration permits are now granted for one year, with a right to renewal for a similar period; the cost is £E.10 per annum for 100 square kilometres. The maximum number of permits, each covering this area, allowed to any one applicant has until recently been limited to forty.

(b) *Production.*—So far only one exploration company has been successful in the search for petroleum, notably in the discovery during April, 1938, of oil at Ras Gharib on the Red Sea coast about half way between Suez and their older production field, Hurghada. The recent increase in the company's crude oil production may be ascribed to this new and valuable source of supply. During the first half of 1938 their average weekly output was just under 3,000 tons and in July of that year the average fell to about 2,500 tons. Development of the new Gharib field, however, changed the trend of production in August, and by December, 1938, output figures had reached an average of over 7,000 tons per week.

Production figures of crude oil for the past five years are as follows:—

<i>Year.</i>					<i>Production. Metric tons.</i>
1934	...	...	...	...	221,028
1935	...	...	...	...	182,003
1936	...	...	...	...	182,521
1937	...	...	...	...	170,860
1938	...	...	...	...	225,736

(c) *Refining.*—Egypt's two oil refineries at Suez, with a potential output of 2,000 tons a day, and 200 tons a day respectively, produced the following quantities of petroleum products in 1937

and 1938, partly from Egyptian and partly from imported crude:—

	1937. Metric tons.			1938. Metric tons.		
	A.E.O.	Government.	Total.	A.E.O.	Government.	Total.
Kerosene	13,847	4,983	18,830	10,282	5,769	16,051
Benzine	80,647	6,298	86,945	87,890	8,851	96,741
Diesel and Gas oils	41,067	10,150	51,217	35,849	11,938	47,787
Furnace oils	68,152	22,217	90,369	88,880	25,816	114,696
Bitumen	105,327	8,732	114,059	122,904	8,425	131,329
Total	309,040	52,380	361,420	345,805	60,799	406,604

(d) *Consumption*.—The average annual consumption of petroleum products in Egypt during the last ten years has been about 624,600 tons, and the consumption during 1938 was 733,800 tons. The following table shows the products consumed:—

				<i>Average annual consumption, 1929-38. Tons.</i>	<i>Consumption during 1938. Tons.</i>
Kerosene ... ..	...	...	...	306,200	321,500
Benzine ... ..	...	...	...	71,000	97,600
Diesel and Gas oils	...	...	...	158,300	220,600
Furnace oils ... ..	...	...	...	47,500	44,900
Lubricants ... ..	...	...	...	19,500	21,100
Bitumen ... ..	...	...	...	22,100	28,100
Total ... ..	...	...	...	624,600	733,800

Phosphates.—Two old-established companies are exploiting phosphate rock in Egypt, one British operating at Safaga on the Red Sea, and one Italian at Kosseir.

The following table shows the output of phosphate rock during the past three years and the quantities exported:—

<i>Year.</i>				<i>Output. Metric tons.</i>	<i>Exports. Metric tons.</i>
1936 ... ..	...	...	...	531,031	544,077
1937 ... ..	...	...	...	517,002	447,399
1938 ... ..	...	...	...	458,404	402,756

(See Exports.)

Manganese Ore.—Manganese ore is found in great abundance in Sinai. The principal mines are those of a British company near Abu Zineima, a port on the Red Sea; but several other concerns have taken out prospecting licences and one of them, operating at Gebel Asmar, has started production. Production has been on the following scale in recent years:—

<i>Year.</i>					<i>Metric tons.</i>
1936	...	...	...	...	134,972
1937	...	...	...	...	186,320
1938	...	...	...	...	153,112

(See also Exports.)

Gold Mining.—The El Sokkari gold mine on the Red Sea coast was re-equipped and re-opened by the Egyptian Government in 1937 and has now a potential output of 40 tons of ore per day.

Actual gold production during 1938 amounted to about 2,160 ounces of fine gold valued at £E.16,126. The plant was only running for five months at full capacity.

The lease of the Barramia gold mine was transferred in 1937 to new hands. There has been little production from this mine in the past two years.

Wolframite.—A company is initiating the exploitation of wolframite deposits, north of Kena in Upper Egypt.

Miscellaneous.

Armaments.—The Government has under consideration various proposals for the manufacture of armaments in Egypt.

Bedsteads and Wire Mattresses.—Details were given in the previous report. Practically the whole of the demand is now met by the local factories and imports are negligible. The annual output is now officially valued at about £E.500,000, the necessary raw material being imported from abroad.

Cement.—The total output of the Egyptian cement factories during 1938 was 284,000 metric tons, compared with 322,184 metric tons in 1937.

Ceramics.—New branches of this industry created recently are showing progress but difficulty is being experienced in competing in price with low quality imports.

The local output of refractory and blue bricks, stoneware pipes, paving and facing bricks, and sanitary earthenware, was estimated to be worth about £E.50,000 in 1938, or about one half of the total consumption.

Cigarettes.—The old-established cigarette industry has not shown much expansion during the past few years. The cultivation of tobacco in Egypt is prohibited and imports of raw

tobacco have remained fairly constant since 1932 at an average of just over 5,000,000 kilogrammes per annum. The local manufacture of Egyptian blended Virginia cigarettes is, however, making progress, imports of raw tobacco from the U.S.A. having increased from 217,000 kilogrammes in 1933 to 554,000 kilogrammes in 1938.

The export trade in Egyptian cigarettes remained fairly constant at 268,000 kilogrammes, valued at £E.174,000 in 1938 compared with 280,000 kilogrammes valued at £E.196,000, in 1937. In addition about 100,000 kilogrammes were sent to the Sudan in both years.

Copper.—A company was formed in 1936 with a capital of £E.27,500 (increased to £E.35,760 in 1937) to manufacture and trade in all kinds of copper and other non-ferrous metals. It is now supplying the local market with copper sheets and bottoms, of which the imports have declined from £E.170,000 in 1936 to £E.77,000 in 1938.

Electrical Apparatus.—Progress has been made in this industry and there are now two factories turning out electrical fittings and electric lamps. One of them produces 5,000 lamps daily.

The local manufacture of Neon tubes, for advertising and other purposes, has also developed and a number of small concerns are engaged in this industry.

Furniture.—The quality of the furniture manufactured in Egypt continues to improve under official guidance and now bears comparison with good quality European products. Practically the whole Egyptian market for cheap and medium-priced furniture has been secured.

Glassware.—The glass factory near Cairo is now stated to be producing 60,000 units per day, mainly lamp glasses. The addition of a sheet glass furnace is proposed.

Glycerine.—Glycerine is manufactured in Egypt (*a*) by saponification of oils (coconut and cottonseed oil) and (*b*) as a by-product of soap. The production of crude glycerine amounts to about 200 metric tons per annum. Small quantities of glycerine for medical purposes have also been produced since 1937.

Leather and Footwear.—Local tanneries have much improved the quality of their output and Government contracts now stipulate the supply of Egyptian leathers. The improvement is largely due to the research work of the Government's experimental leather factory.

The leather industry generally has made considerable progress in the production of such articles as travelling requisites, ladies' handbags, and saddlery.

Under cover of the high protective tariff on footwear, the local industry has expanded rapidly and, with the exception of the highest grades, the import trade in leather footwear is becoming negligible. All Government orders, including those for the army and police forces, now go to the local industry. That production of rubber-soled sports shoes has also made rapid strides is indicated by a decline in imports from 682,000 pairs in 1937 to 252,000 pairs in 1938.

Various other rubber articles, such as garden hoses, are being produced by a factory in Cairo.

Paper.—The factory of the Société Nationale du Papier for production of wrapping paper (mentioned in the previous report) will initiate production in the near future. Its estimated output is 60 tons of cardboard and wrapping paper per day, Egyptian rice straw being its principal raw material. In May, 1938, the Company offered shares for subscription bringing its capital up to the authorised amount of £E.265,000. Egypt's existing paper factory at Alexandria, continues production of packing paper, tobacco wrappings and cardboard.

Soap.—Common or household soap is manufactured in Egypt on a comparatively large scale, the total output during recent years having averaged about 45,000 metric tons per annum. Small quantities of toilet and soft soaps are also produced.

Egyptian household soap is exported in fair quantities to the Sudan.

A law regulating the manufacture of, and trade in, soap was promulgated in November, 1938.

Sponges.—The yield of sponges from Egyptian waters was 312,000 pieces in 1937 and 379,000 in 1938, exports being valued at £E.16,000 and £E.13,000 respectively.

Sugar.—1938 was the eighth year of the convention between the Egyptian Government and the Société Générale des Sucreries et de la Raffinerie d'Egypte, under the terms of which the sale of sugar in Egypt is reserved exclusively to the Company. During these eight years the Company crushed 11,359,829 tons of cane and refined 1,327,757 tons of sugar, compared with 7,283,402 tons of cane and 697,982 tons of sugar during the previous eight years.

Recent statistics of the area under sugar cane and of production are as follows:—

Year.				Sugar cane.		Refined sugar. Production.
				Area.	Production.	
				Feddans.	Cantars.	Metric tons.
1936	...	...	...	64,270	47,355,000	131,879
1937	...	...	...	67,783	53,036,000	137,908
1938	...	...	...	68,216	51,218,000	160,211

Imports of raw cane sugar for refining totalled 108,711 metric tons in 1938, compared with 32,526 metric tons in 1937.

Egypt's average annual consumption of sugar is now estimated at about 145,000 tons. (See also Exports.)

Superphosphates.—A factory for the manufacture of sulphuric acid and superphosphates began production in March, 1937. Its output for the first year is given as 9,000 tons of sulphuric acid and 20,000 tons of superphosphate of lime for local consumption. Demand declined in 1938 and output fell accordingly; but the works have been enlarged. Hydrochloric acid and sodium sulphate are also produced.

Vegetable Oils.—This industry was fully discussed in the last report and there have been no developments of importance. (See Exports.)

The following table gives approximate output figures for the past two years:—

<i>Commodity.</i>				<i>1936-37.</i>	<i>1937-38.</i>
				<i>Metric tons.</i>	<i>Metric tons.</i>
Cottonseed oil	...	...	...	42,500	50,500
Cottonseed cake	...	...	...	189,000	252,500
				<i>1937.</i>	<i>1938.</i>
				<i>Metric tons.</i>	<i>Metric tons.</i>
Linseed oil	...	...	...	115	400
Sesame oil	...	...	...	11,200	3-4,000
Castor oil	...	...	...	50	50
Olive oil	...	...	...	520	100-150

Vegetable and Fruit Canning.—This industry has not yet been established on a commercial scale; but the Ministry of Agriculture is conducting researches into the canning of fruit and vegetables, jams, syrups, and tomato sauce, while a project for formation of a canning company is under study by the Misr Bank.

Wines and Beer.—The wine industry has been developed during the past few years. It is estimated that about 7,500 feddans of land are cultivated with grape vines and the output since 1936 has been as follows:—

<i>Year.</i>					<i>Litres.</i>
1936	...	...	...	...	387,000
1937	...	...	...	...	889,000
1938	...	...	...	...	698,000

The quantity of beer brewed in Egypt during 1938 was 52,075 hectolitres, compared with 50,468 hectolitres during the preceding year.

Industrial Projects.

Aswan Dam Hydro-Electric Project and Manufacture of Nitrates.—For some years past negotiations have been proceeding between the Egyptian Government and a United Kingdom group for construction of a hydro-electric power station at the Aswan dam and of a nitrate fertiliser factory in conjunction therewith. The Government has at various times reiterated its intention of proceeding with the project which is foremost in its development programme. It is evidently of the highest importance to Egypt that the farmer should be enabled to obtain the large quantities of fertiliser which he requires at the cheapest possible price and also that importation of fertiliser should be reduced to a minimum. Both these desiderata are fulfilled by the Aswan scheme which involves the importation of neither fuel nor raw material, and, at the time of writing, the negotiations are still in progress.

Meanwhile, in April, 1939, it was announced in the Chamber of Deputies that the Government's authority had been given to a foreign group to form a " *société anonyme égyptienne* " for the manufacture of nitrates locally by means of plant utilising imported coal. The Government have undertaken to protect such a company against dumping of imported nitrate: on the other hand, they have restricted production to 180,000 tons a year, the difference between Egypt's consumption and the estimated production from Aswan.

Iron Ore.—The Government are taking great interest in the possibility of exploiting large deposits of iron ore in the neighbourhood of Aswan. A thorough survey of the deposits is now in progress and samples are being tested with a view either to exportation of the ore or the establishment of a local iron and steel industry. It has been suggested that electric power derived from the Aswan dam might be utilised for the purpose.

VI.—AGRICULTURE.

General.—The place of cotton is so predominant in Egypt's agriculture that it is hardly necessary to look further in forming a general picture of the situation.

Cultivators had a good year in 1937. Their profits as a whole did not decline in proportion to the fall in cotton prices, because the total cotton crop reached the record figure of nearly eleven million cantars, compensating in size and quality for the low price level. Cultivators have since, however, been doubly hit. Not only did cotton prices continue to fall in 1938 but the crop was very poor both in quantity and quality. That the area under cotton had been reduced by about 10 per cent. is a normal phenomenon after an exceptionally large crop. Damage from pests was, however, greater than usual; and the high Nile had adverse effects on cotton cultivation. The gross value of production per acre fell from about £E.13 in 1937 to £E.10 in 1938: the total value of the crop at about £E.18,000,000 was the lowest since 1932. It is too soon to forecast cotton prospects for 1939, but during May there has been a welcome if small recovery in ruling prices which had previously fallen so low as to give practically no return to the growers.

Although farmers have little cause to grumble about their other crops (and wheat in particular is doing well), there is no doubt that they are experiencing difficult times. Indeed reports from provincial centres indicate that the situation is bad. Rents are being paid with difficulty and fellaheen are having to sell their cattle at low prices to meet their liabilities.

Agricultural Indebtedness.—In January, 1939, there was finally promulgated the law for settlement of agricultural mortgage debts. It relates to debts of second and subsequent ranks and to those not covered by the various agreements reached with the three principal mortgage banks.

The measure is designed to assist landowners who have mortgaged their land to the extent of over 70 per cent. of its value, provided that at least one mortgage was taken out before the 31st December, 1932. Certain debts which were considered irreducible in the 1936 legislation concerning the mortgage banks are likewise considered irreducible under the present law.

All claims may be included in the settlement—even those that are not yet due. Seventy per cent. of the value of the property of debtors coming within the scope of the settlement will be paid to creditors by the Crédit Hypothécaire, on account of claims not exceeding 95 per cent. of the value of the property. The system of apportionment is somewhat complicated but in broad outline runs as follows:—The first 45 per cent. is considered irreducible and will be paid in full to creditors in the order of the inscription of their mortgages. The remaining 50 per cent. out of the 95 per

cent. will be divided into five sections and will be scaled down so that a total of 25 per cent. only becomes payable on this part, thus bringing the full payment up to the 70 per cent. mentioned above.

The Crédit Hypothécaire will settle claims either by cash or by the issue of bonds guaranteed by the Government, and to that extent will take over the debts ceded. Creditors not included in the settlement will participate proportionally in the proceeds of the sale of the movable assets, if any, of the debtor.

Meanwhile, the suspension of forced sales of mortgaged land within the scope of the law is again extended until the 30th June, 1939, the date by which the work of the commission set up to arrange the detailed execution of the law is expected to be terminated. Suspension had already been in force for two years.

In March, 1939, a law was passed authorising the Government to guarantee bonds to the value of £E.3,000,000 to be issued by the Crédit Hypothécaire d'Egypte in connection with the settlement of mortgage debts under the new law.

Irrigation.—The 1937 Nile flood was slightly higher than normal in August and September but generally speaking below the average thereafter. No difficulty was experienced in filling the Aswan Reservoir. The Gebel Awlia Reservoir was brought into partial operation for the first time, the dam having been completed early in the year; and, in 1938, it added nearly 600,000,000 cubic metres of water to the reserves. When it comes into full operation in 1942, its storage will exceed 2,500,000,000 cubic metres of water of which not less than 2,000,000,000 will benefit Egypt.

The 1938 flood will long be remembered. It was earlier, higher, and more prolonged than any since 1892. In the intervening years, nearly half a million acres of basin lands in Upper Egypt, which used to operate partially as flood escapes, have been converted to the perennial system. However, it was found possible, by use of the Aswan Reservoir, to keep peak levels below the danger point. Thanks to the annual strengthening programme which is being maintained, the Nile banks give little cause for anxiety except in one section on the Damietta branch near Mansura, where a hurriedly built auxiliary bank ensured security. Some conception of the magnitude of the 1938 flood is given by the fact that in the two principal months of the flood, the volume of water passing through the Aswan sluices was a third greater than the normal.

The conversion of basin land in Upper Egypt and reclamation of waste areas in the Delta progressed according to programme during 1937 and 1938. Drainage schemes in both areas form an integral part of these new works and much of the existing drainage system in other areas continues to be overhauled and extended.

The remodelling of Assiut Barrage was brought to a successful conclusion early in the summer of 1938 by the United Kingdom contractors.

Work on the new Mohamed Aly Barrages, which will replace the existing Delta Barrages north of Cairo, is progressing satisfactorily, the contractors for this work are also a British firm.

As regards the future, the normal extension of the canal and drainage system will proceed, but it is not anticipated that any major works will be initiated in the next few years.

Investigations are continuing as to possibilities of a dam and reservoir at Lake Albert and on the Jonglei Diversion Scheme in the Sudd Region, but no constructional work is contemplated in the near future.

North Delta Drainage Scheme.—The North Delta Drainage Scheme provides for the efficient drainage of certain areas in Northern Egypt up to about one and a half metres below the surface, compared formerly with only a few centimetres. Electric power is used, and there are three main generating stations, at Atf, Belqas and Seru, with a power total of nearly 20,000 kw., which feed 20 pumping stations through double circuit high tension overhead transmission lines. Extension of the scheme is to be pushed forward, in particular the addition of a central power station at Alexandria.

Principal Crops: Cotton.—The year 1937 was remarkable for its record crop of 10,816,169* cantars of cotton, by far the largest ever produced in Egypt and over 21 per cent. in excess of the previous peak crop of 1936. The area under cotton cultivation was 1,978,151 feddans against 1,715,805 feddans for 1936.

The abnormally large crop, coupled with reports of greatly increased production in the United States of America, soon depressed prices, and quotations for Sakel, which were \$15.91 per cantar of 100 lbs. on the 31st August, 1937, the official close of the 1936-7 season, had fallen to \$14.25 by the 30th December, 1937. Between the same two dates, quotations for Giza 7 fell from \$14.00 to \$12.69 per cantar, and for Ashmuni from \$11.67 to \$10.14 per cantar.

The early months of 1938 brought further declines culminating in May; but there was a firmer tendency in June and July and the season ended on the 31st August, 1938, with quotations of \$13.44 for Sakel, \$12.85 for Giza 7, and \$10.30 for Ashmuni.

Exports for the season 1937-8 totalled 8,920,327 cantars (1,210,496 bales) and local consumption accounted for 510,839 cantars. The stock on hand at Alexandria carried forward

* Exclusive of 192,693 cantars of Scarto or low grade cotton.

to the 1938-9 season on the 1st September was 1,525,836 cantars.

The 1938 crop was very much smaller than the previous year, and is officially estimated at 7,200,000* cantars. The area planted was only 1,783,911 feddans. Adding the carry-over of 1,500,000 cantars from the previous season, the available supply totalled about 8,700,000 cantars, compared with the 11,400,000 cantars available at the beginning of the 1937-8 season.

This represents a good statistical position. Nevertheless prices again fell towards the end of 1938, standing on the 31st December with Sakel at \$12.27, Giza 7 at \$12.50 and Ashmuni at \$10.45.

It is understood that, for the 1939 season, the area under cotton has again been reduced. Nevertheless, prices continued to show weakness, the following being the quotations at the end of May, 1939:—

					\$ per cantar.
Sakel	...	...	...	...	11.63
Giza 7	...	...	...	...	11.57
Ashmuni	...	...	...	...	9.43

Exports to the end of May, 1939, from the beginning of the season, totalled 898,917 bales, compared with 968,228 bales during the corresponding period of 1937-8. (For export statistics see Chapter IV.)

Advisory Council.—The formation of an Advisory Cotton Council was announced in December, 1938. The Council includes experts in all the main processes of cotton production and marketing; and its functions are to propose measures for safeguarding the interests of cotton growers, to organise the local market, and to seek new markets abroad. Amongst various recommendations already submitted to the Government by the Council are (i) that the Government should assist in the recovery of blocked credits due to cotton exporters by certain European countries; (ii) that efforts should be made to do business with countries indulging in barter trade; and (iii) that pressure should be brought to bear upon countries with which the trade balance is adverse to Egypt to purchase Egyptian cotton. The periodic fixation of prices mentioned in the previous paragraph (and also in Chapter I) has been undertaken at the instance of this Council.

A summary of recent legislation relating to cotton is given in Chapter II.

* Exclusive of 150,000 cantars of Scarto.

Wheat.—The areas under wheat and production figures for the years 1936-7 and 1937-8, with average figures for the five years 1933-7, are given below:—

<i>Year.</i>				<i>Area.</i> <i>Feddans.</i>	<i>Production.</i> <i>Ardebs.</i>
1936-37	...	...	...	1,368,900	8,233,000
1937-38	...	...	...	1,416,306	8,334,000
5-year average (1933-37)	...	...	...	1,390,255	7,676,000

At 8,334,000 ardebs (one ardeb of wheat = 150 kilogrammes) the crop in 1937-8 was thus well above the average; and preliminary estimates for 1938-9 indicate a further increase to 8,513,000 ardebs.

There appears to have been little carry-over from season to season; owing to the high customs duty, there is practically no import of wheat; and exports are small. It seems, therefore, that Egypt is eating more wheat and approaching an average annual consumption of 1,250,000 tons.

The Government continues to guarantee advances to cultivators of wheat through the *Crédit Agricole d’Egypte*.

Rice.—The following table shows cultivation area, production and export of rice during recent years:—

<i>Year.</i>				<i>Area.</i> <i>Feddans.</i>	<i>Production.</i> <i>Metric tons.</i>	<i>Export.</i> <i>Metric tons.</i>
1937	...	...	...	263,307	372,000	150,800
1938	...	...	...	474,085	714,000	65,400
5-year average (1933-37)	...	...	...	403,712	563,500	88,300

The small production figure for 1937 was due to the unusually low Nile that year, the area under rice being strictly limited in consequence. After the large crop of 1938, the probability is that this year cultivation will again be curtailed.

Onions.—The area under onions was considerably reduced for the 1937-8 season compared with 1936-7: it has increased this year although still below previous averages. The statistics are as follows:—

<i>Season.</i>			<i>Area.</i> <i>Feddans.</i>	<i>Production.</i> <i>Metric tons.</i>	<i>Year.</i>	<i>Exports.</i> <i>Metric tons.</i>
1936-37	...	...	39,621	284,000	1937	133,272
1937-38	...	...	25,651	192,000	1938	143,619
1938-39 (estimated)	...	...	35,045	259,000	1939	—

The formation of an onion policy has recently engaged the attention of the Ministry of Commerce and Industry which has drawn up a scheme suggesting restriction of onion acreage; selection of seed; grading of output; provision of finance by the *Crédit Agricole d’Egypte*; and encouragement of the export trade. The export market is discussed in Chapter IV.

Maize and Millet.—The area and yield of these important crops during the past three years have been as follows:—

Year.	Maize.		Millet.	
	Area.	Output.	Area.	Output.
	Feddans.	Ardebs.	Feddans.	Ardebs.
1936	1,520,408	11,395,000	332,833	2,911,000
1937	1,559,476	11,794,000	319,809	2,903,000
1938	1,497,092	11,269,000	389,659	3,357,000

(One ardeb of maize = 140 kilogrammes.)

In view of the firmness of the wheat market in the spring of 1938 and the consequent rise in the price of bread, admixture of 25 per cent. maize with wheat for flour milling was permitted by the Government. This permission was withdrawn in April, 1939, when wheat prices fell.

Practically the whole of the maize and millet crops is consumed in the country. There is only a small export trade to neighbouring countries.

Barley.—The last two barley crops were as follows, compared with the average of the five preceding years:—

Year.					Area.	Output.
					Feddans.	Ardebs.
1937 ... ..	...	...	...	...	260,976	1,918,000
1938 ... ..	...	...	...	...	263,771	1,939,000
5-year average (1932-36)	...	...	...	...	290,142	1,873,000

(One ardeb of barley = 120 kilogrammes.)

Like maize and millet, the greater part of the barley crop is consumed locally: there is only a small export trade, principally to the United Kingdom.

Vegetables.—Almost all varieties of vegetables are grown in Egypt in sufficient quantities to meet local requirements. There is still, however, some shortage in potatoes, occurring during the first six months of the year between crops. 27,771 tons of potatoes were imported in 1938, compared with 21,909 tons in 1937, the principal supplying countries being Cyprus, the Netherlands, and Italy. Efforts are being made to expand market-gardening and to seek outlets abroad. Larger consignments of Egyptian potatoes were exported to the United Kingdom in 1937 and 1938, and a trial consignment of Egyptian green peas was recently sent to Covent Garden by air. Development of canning is also under examination. (See Chapter V.)

Fruits.—Recent developments of importance in fruit cultivation are mainly confined to citrus fruits, wherein the Government has continued its policy of encouraging export by the grant of

bounties. The total amounts paid in export bonuses during the past five years have been as follows:—

<i>Year.</i>			<i>£E.</i>
1933-34	...	...	3,988
1934-35	...	...	31,513
1935-36	...	...	25,535
1936-37	...	...	28,950
1937-38	...	...	38,000 (of which £E.11,000 was for bonuses relating to 1936-37.)

These subsidies are based on a five-year plan under which the amount of the subsidy per unit exported diminishes each year, and the subsidy is due to cease next year. In view, however, of the fact that exports of citrus fruits in the 1938-9 season have been much greater than was anticipated (mainly to Germany) the Ministry of Commerce and Industry was obliged in April, 1939, to obtain approval for the opening of a supplementary credit of £E.75,000 to cover the total amount of the export bounties due.

The subjoined table indicates the growth in the export trade in citrus fruits due to this Government assistance:—

<i>Year.</i>				<i>Value of exports.</i>
				<i>£E.</i>
1933	...	...	...	6,399
1934	...	...	...	17,562
1935	...	...	...	35,585
1936	...	...	...	36,335
1937	...	...	...	36,719
1938	...	...	...	63,700

VII.—TRANSPORT AND COMMUNICATIONS.

General.—Apart from general development, there has been little new in regard to communications and transport since the last Report. Of outstanding importance are, however, the carriage by air of all first-class mail from Egypt to British territories served by Imperial Airways, and the extensions of the road system now in hand.

Restrictions on the licensing of commercial vehicles continue to be severe, and no solution of the long-standing road-rail controversy in Egypt has been reached. In 1937 the Road Association of Egypt was formed to represent the road transport industry and affiliated interests, and this Association has been urging the authorities to formulate a co-ordinated policy in regard to transport generally. In March, 1939, a Transport Advisory Council was constituted for this purpose by the Government with representatives of the various ministries and

departments concerned, including the Egyptian State Railways. The Council is authorised to consult any appropriate expert opinion.

It is significant that the present restrictions on road haulage have had the effect of reducing the number of commercial lorries and buses operating in Egypt from 5,323 (18·2 per cent.) out of a total of 29,249 motor vehicles licensed at the end of 1932, to 4,074 (12·2 per cent.) out of 33,456 at the end of 1938.

Tourist Traffic.—The tourist traffic provides one of Egypt's principal invisible exports and its low level in recent years represents depression in one of her leading industries.

In 1937-8, while much below bygone averages, it was, however, more successful than in the previous year, despite international uncertainties. The number of tourists during the winter season was estimated by the Tourist Development Association of Egypt at 32,057 compared with 26,828 in 1936-7 and they are believed individually to have spent more in the country. An important factor was the assembly in Cairo of several international congresses under Egyptian Government auspices. These were the 15th International Ophthalmic Congress in December, 1937; the biennial conference of the International Federation of Cotton Spinners' and Manufacturers' Associations at the end of January, 1938; and the International Telecommunications Conference in February-March, 1938.

On the other hand, international developments in the autumn of 1938 had its repercussions on Egypt's winter season of 1938-9 when the number of tourists who visited the country was said to be 40 per cent. less than in the previous year. It was one of the worst seasons on record; and at the annual meeting of Egyptian Hotels, Limited, it was stated that the hotels under the company's control were only filled to 20 per cent. of capacity.

Shipping.—(a) *Statistics.*—Statistics of arrivals of shipping are given in Appendices XX (a) and XX (b). The totals, including Suez Canal transit traffic, read as follows for the past four years:—

			Number of ships.	British.	Tonnage.	British.
				Per cent.		Per cent.
1935	...	...	9,826	37	34,323,000	43
1936	...	...	9,583	36	32,632,000	43
*1937	...	...	9,262	38	34,499,000	42
*1938	...	...	9,219	37	34,639,000	42

* Does not include arrivals at smaller ports.

These statistics are, however, distorted by factors extraneous to Egypt and it is of interest to compare them with that part of the purely Egyptian traffic represented by the following statistics for arrivals at Alexandria alone:—

		Number of ships.	British. Per cent.	Tonnage.	British. Per cent.
1935	... ..	2,527	25	6,046,000	24
1936	... ..	2,499	25	5,615,000	24
1937	... ..	2,495	25	5,686,000	23
1938	... ..	2,452	23	5,595,000	21

The pronounced fall in the British figures between 1937 and 1938 is partly due to the change of flag of the Khedivial Mail Line referred to below. While the number of British ships arriving at Alexandria fell by 57 between 1937 and 1938, the Egyptian figure rose by 38. Three hundred and sixty-two Italian vessels with a tonnage of 1,016,000 entered Alexandria in 1937 and 343 with tonnage 1,033,000 in 1938.

Merchandise landed and shipped at Alexandria during the past five years totalled as follows:—

				Landed. Tons.	Shipped. Tons.
1934	... ..	...	...	3,128,038	1,328,578
1935	... ..	...	...	3,772,259	1,399,375
1936	... ..	...	...	3,090,990	1,375,552
1937	... ..	...	...	3,524,286	1,516,207
1938	... ..	...	...	3,563,379	1,300,000

(b) *Egyptian Mercantile Marine.*—*The Pharaonic Mail Line, S.A.E.*—The Khedivial Mail, a British company, is in process of liquidation, and its assets and personnel are being taken over by the Pharaonic Mail Line, S.A.E., an Egyptian concern. The former, however, retains for the present an office in London, the Khedivial Mail Line Agency, Ltd., through which supplies are purchased, while the shipbuilding and repairing, marine engineering and boiler-making departments remain under the Khedivial Mail organisation. Only one ship, the s.s. “Fouadieh” (1,853 tons), operating the Egypt-Cyprus mail, is still under its control.

Misr Maritime Navigation Company.—This Company continues to enjoy a Government subsidy. It carried 7,865 pilgrims in 1938; and, in addition to its original pilgrim trade, now operates a European service with the vessels “El Nil” and “Kawsar”. The s.s. “Fostat” carries freight between Egypt and the United Kingdom.

Alexandria Navigation Company.—This Company, which receives a small Government subsidy, owns five cargo vessels.

(c) *Alexandria Harbour Development*.—Development schemes in Alexandria harbour are under consideration. In the 1939-40 budget there are preliminary allocations towards a petroleum basin, the deepening of the entrance to the harbour and the construction of customs sheds for tobacco.

The creation of a free zone in Alexandria harbour was recorded in the last report in this series, but the doubts then expressed as to prospects of its development appear so far to have been justified.

The zone has not attracted foreign transit trade, and its facilities are in practice only utilized by ship purveyors. Tobacco and inflammable goods are excluded.

(d) *Port Dues and Landing charges*.—In 1938 the dues on ships entering Alexandria harbour for the sole purpose of bunkering were reduced from 7½ milliemes to 2 milliemes per Turkish ton. Similar dues are payable when the vessel leaves the harbour.

In April, 1939, the landing charges on goods discharged from ship to quay at Alexandria were reduced from P.T.8 to P.T.6 per ton, and those on goods discharged from ship to lighter from P.T.15 to P.T.10 per ton. A supervision fee of P.T.10 per hour per hold is payable by shipping companies to the Customs Administration on all general cargoes discharged.

Apart from these measures, fees at Alexandria have not been reduced since the last report in this series; and at other ports there have been no changes in official charges during the period under review.

(e) *Registration and Tonnage Certificates*.—An agreement was reached in February, 1939, for the reciprocal recognition of certificates of registration and other national papers in regard to tonnage measurement of merchant vessels issued by the competent authorities in British territories and in Egypt.

Suez Canal.—More ships passed through the Canal during the year 1937 than in any year since its opening. This was in some measure due to developments in Abyssinia, but not entirely since that particular traffic was actually more intense in the previous year. The increase was mainly caused by expansion in general world trade—particularly during the earlier part of the year—but the reduction in Canal dues no doubt also partly accounted for the improvement. The resumption of Australian shipments via the Canal of wheat and sugar, which in 1936 had been sent round the Cape also contributed. Lower freights and the increasing importance of the “time factor” in international trade were, in general, features in favour of the Suez rather than the Cape route.

In 1938, on the other hand, there was a very considerable decline in canal transit shipping caused partly by the lesser

number of Italian vessels, and also by a reduction in exports from Europe to China and Japan.

The following is a table of transit statistics for 1937 and 1938 indicating the principal flags represented:—

Nationality.	1937.		1938.	
	No.	Nett tonnage.	No.	Nett tonnage.
U.K.	3,073	17,254,183	3,028	17,357,743
Italy	1,175	5,866,087	984	4,625,818
Germany	534	3,313,220	499	3,134,597
Netherlands	432	2,800,144	476	3,028,324
France	280	1,819,783	260	1,747,825
Norway	338	1,657,437	295	1,484,312
Greece	230	881,493	199	789,741
Japan	158	966,503	100	674,746
Denmark	148	668,682	96	488,300
U.S.A.	95	561,574	69	387,661
Sweden	67	346,138	61	322,816
U.S.S.R.	23	76,290	29	136,450
Total (including other countries)	6,635	36,491,332	6,171	34,418,187

Merchandise carried totalled 28,779,000 tons in 1938 compared with 32,776,000 tons in 1937.

With effect from the 15th December, 1938, the Canal dues were reduced from 6s. to 5s. 9d. per ton for ships in cargo and from 3s. to 2s. 10½d. per ton for ships in ballast. From the same date the transit charge for passengers was also reduced from 6s. to 5s. 9d. for adults and from 3s. to 2s. 10½d. for children.

A summary of the recent agreement between the Egyptian Government and the Canal Company will be found in Chapter II.

Railways.—Gross receipts of the Egyptian State Railways in 1936-7 totalled £E.5,197,000 and ordinary working expenses were £E.3,970,000, leaving net receipts of £E.1,227,000. Public goods transported totalled 5,877,000 tons compared with 5,856,000 tons in 1935-6, and passenger receipts amounted to £E.1,724,000, compared with £E.1,701,000 in the preceding year.

The tonnage of goods carried was a record in the history of the Egyptian State Railways, but owing to various reductions in freight rates to meet competition from road and water transport, receipts for goods traffic declined by £E.35,000.

Gross receipts in 1937-8 totalled £E.5,417,000 showing an increase of £E.220,000 over 1936-7. Ordinary working expenses were, however, £E.409,000 higher at £E.4,379,000 with a consequent reduction in net profits from £E1,227,000 to £E.1,038,000. The increase of working expenses was due to expenditure on renewals and replacements, special works, pensions and indemnities, which is liable to considerable fluctuations not under the control of the Railway administration and does not give a true picture of normal working expenses that year, although those were actually more than £E.300,000 higher than in 1936-7.

Goods traffic receipts were £E.3,149,000, showing a satisfactory increase of £E.181,000 over 1936-7. The tonnage of public goods handled was 6,437,000 tons, compared with 5,877,000 tons in 1936-7, once again creating a record. Passenger receipts were £E.1,776,000, an increase of £E.52,000.

This summary of the Egyptian State Railway's budget does not take into account capital works or stores and workshops account.

In his annual reports for 1936-7 and 1937-8, the General Manager of the Egyptian State Railways made a plea for a settled Government policy in regard to the co-ordination of road and railway transport. He estimated the loss of passenger traffic to the railway due to road competition at £E.300,000 per annum, and he claimed that a further loss of £E.531,000 was caused by the reduction of fares to meet road competition.

Civil Aviation.—*New Aerodromes.*—A new civil aerodrome has been established at Sollum, and budgetary provision has been made for a new civil aerodrome at Alexandria. They are to replace those at Mersa Matruh and Dekheila respectively which have been taken over by the Royal Egyptian Air Force.

Imperial Airways.—With Alexandria a main hub of the Empire air services, Egypt has the benefit of eight Imperial Airways connections weekly each way between Egypt and the United Kingdom, with a through timing of less than 36 hours. (June, 1939). There are now more than a thousand travellers yearly in each direction by Imperial Airways between the United Kingdom and Egypt. Air freight, apart from mail, is also steadily increasing, cargo from the United Kingdom to Egypt having risen by 87 per cent., and from Egypt to the United Kingdom by 49 per cent. over the last four years. From the 1st March, 1938, all first-class mail posted in Egypt for the United Kingdom and British territories served by Imperial Airways Limited has automatically been transported by air.

An agreement is under negotiation with the Egyptian Government for the establishment by Imperial Airways Limited of an Egyptian company styled Egyptian Airways Limited.

Misr Egyptian Airlines.—Misr Airwork, an Egyptian company, subsidised by the Government, has continued to operate its internal services in Egypt and services to Palestine, Cyprus and Iraq. Over one million miles were flown by the company both in 1937 and in 1938. Passengers rose from 17,500 to 18,500 and freight carried from 15 tons to 64 tons.

Other Services.—The Dutch K.L.M. company and the Italian Ala Littoria company have continued their services via Egypt.

Roads.—The relevant provisions of the Anglo-Egyptian Treaty have directed attention to certain shortcomings in the road communications of Egypt. Of the Treaty roads, that from Ismailia to Cairo is finished to Bilbeis and work on the remainder is proceeding. Between Alexandria and Mersa Metruh the new tar macadam road from Amria to Fuka should be completed this summer. The link from the Suez—Cairo highway has reached a point near Geneifa on the Great Bitter Lake, while construction has begun on the central section of the Treaty road between Port Said and Suez duplicating the existing road of the Canal Company. There has also been some progress on the Ismailia—Alexandria Treaty road. The primary object of these roads is defensive, but they constitute valuable additions to the general communications of the country.

As regards other construction, the decision to provide a highway from the valley of the Nile to Bahariyah Oasis is noteworthy and the budget provides for construction between Damietta and Port Said; but the most important development is the contract placed by the Government for a new mix-in-place road, strategic in main purpose but not specified in the Treaty, to be laid urgently across Sinai from a point west of Ismailia to the Palestine frontier. The road should be finished in October, and will replace the existing desert track connecting Egypt and Palestine, joining the Suez Canal road a few miles north of Suez.

Canals and Inland Waterways.—The inland water transport companies are important carriers of bulky materials such as timber or machinery, and they handle about 80 per cent. of the cotton crop from Upper Egypt. They compete severely with the Railways, and their fleets are expanding.

These companies will enjoy additional facilities in the near future when conversion of the Bahr Youssef and El Giza Canal into navigable waterways is completed. A project is also under study to render the Rayah El Behera navigable at a cost of £E. 1,000,000.

Measures to control inland navigation are under consideration by the Government.

VIII.—SOCIAL QUESTIONS.

Population.—The high rate of population increase may well become one of the most difficult problems in modern Egypt. A census is taken every 10 years, and the past three counts have each indicated increases in the total by about 12 per cent. The present population is roughly 16,000,000, double that of 50 years ago. Admittedly, the area of cultivable land has meanwhile much increased and will continue to increase under the long-term irrigation and reclamation programme of the Government. Nevertheless, it seems that other measures must eventually be necessary to carry the ever-growing population. The rural standard of living is already low. It may be that a solution will be found in more intensive cultivation, while industrialisation will no doubt help to relieve the population pressure.

Wages.—Egypt suffers, generally speaking, from no lack of labour: but a shortage exists of skilled mechanics and other specialists. There is a large reserve of agricultural labour on which industry may draw.

Industrialisation is beginning to cause a drift from country to town. Eventually this should increase the use of farm machinery, and, more important, raise the wages and standard of living of the fellaheen.

Unemployment.—Unemployment does not appear a serious problem except amongst the educated classes of Egyptians for whom vacancies in Government services or commerce are insufficient. The Government has this matter under consideration and now, for example, insists on the clerical employees of new limited liability companies being 50 per cent. Egyptian.

Labour Legislation.—The Labour Office, which is now attached to the Ministry of Commerce and Industry, and the Advisory Labour Council formed in 1933, have obtained the enactment of a number of labour laws, such as those governing employment of women and children in industry; workmen's compensation; and hours of work in dangerous or exhausting industries. Draft laws have been prepared on contracts of employment and on working hours for shop employees, and approved by the State legal department, but have not yet been passed. A number of other labour laws are under consideration; and, in particular, the Labour Office is urging general legislation on working hours in industry.

Rural Water Supply, Lighting and Sewage Schemes.—The Government has in hand a comprehensive programme for water supply and sewage works in rural districts. Apart from the important water installations under construction at Fayum and Bosat, a contract for artesian wells in 132 villages has been

offered for tender. Further, the Council of Ministers recently approved for submission to Parliament proposals for the financing of such rural water supply, lighting and sewage schemes. Municipalities are to be authorised to issue bonds within certain limits guaranteed by the Government. The Government will meet half the cost of sewage schemes, but water supply and lighting projects are expected to pay for themselves.

Housing.—That the building boom in Egypt reached its peak in 1935 is confirmed by the progressive decline in the number of permits issued from 1,710 in that year to 1,052 in 1938. Detailed statistics for the past two years are as follows:—

Year.	Cairo.			Alexandria.			Port Said.			Grand Total.		
	Apartment blocks.	Villas.	Total.	Apartment blocks.	Villas.	Total.	Apartment blocks.	Villas.	Total.	Apartment blocks.	Villas.	Total.
1937 ...	459	56	515	492	76	568	77	—	77	1,028	132	1,160
1938 ...	483	30	513	365	98	463	76	—	76	924	128	1,052

Building is, however, still considered a good investment at 6 to 7 per cent. interest on capital outlay.

Rents of flats in Cairo have fallen slightly in the past two years.

New buildings are now in many cases equipped with central heating. The tendency in Cairo and Alexandria is to build higher: one building under construction in Cairo has 16 storeys and is equipped with 17 lifts.

The absence of controlled town-planning is still evident.

Co-operative Societies.—The co-operative movement in Egypt dates from the year 1908, but it did not receive official recognition until 1923, when a law was passed to regulate co-operative activities. There are now about 800 societies with a membership of 80,000, a paid-up share capital of £E.220,000, a reserve fund of £E.60,000, and a yearly turnover of about £E.1,000,000. All but 45 are agricultural societies of the general purposes type, described in the previous report.

Non-agricultural societies have a membership of 8,000, a share capital of £E.15,000, and a turnover of £E.100,000. Apart from agriculture, therefore, co-operation has not made much progress in Egypt.

Cost of Living.—The official cost of living index figure in Egypt relates to the urban labour classes and has been remarkably steady in recent years. After rising from 125 in 1933 (1913-4 = 100) to an average of 130 in 1935, it has not diverged greatly from this figure. At the end of December, 1938, it stood at 131.

The official index figures of wholesale and retail prices in Egypt show a small but steady rise since 1936, as will be seen from the following table:—

			<i>Wholesale.</i>	<i>Retail.</i>
			(1935 = 100)	(March, 1930 = 100)
December, 1936	...	...	92	111
December, 1937	...	...	94	111
December, 1938	...	...	97	115

APPENDIX I.
FOREIGN TRADE OF EGYPT.
(Excluding Specie and Gold Bullion.)
£E. (ooo's omitted).

Year.	Total Imports.	United Kingdom Share.	Per cent.	Total Exports.	United Kingdom Share.	Per cent.	Total Imports and Exports.
1880 ...	3,653	3,487	95·4	13,496	9,075	67·2	17,149
1881 ...	7,084	3,617	51·0	11,915	8,235	69·1	18,999
1882 ...	4,739	2,913	61·4	10,134	7,144	70·4	14,873
1883 ...	5,617	3,882	69·1	11,785	8,626	73·1	17,402
1884 ...	8,183	3,091	37·7	12,553	8,505	67·7	20,736
1885 ...	8,989	3,401	37·8	11,454	6,910	60·3	20,443
1886 ...	7,848	2,881	36·7	10,199	6,394	62·6	18,047
1887 ...	8,137	3,235	39·7	10,964	6,889	62·8	19,101
1888 ...	7,738	2,873	37·1	10,530	6,534	62·0	18,268
1889 ...	7,021	2,539	36·1	12,066	7,745	64·1	19,087
1890 ...	8,081	3,003	37·1	12,004	7,692	64·0	20,085
1891 ...	9,201	3,428	37·2	14,020	8,940	63·7	23,221
1892 ...	9,091	3,061	33·6	13,506	7,844	58·0	22,597
1893 ...	8,719	2,686	30·8	12,954	7,242	55·9	21,673
1894 ...	9,266	3,183	34·3	12,078	6,518	53·9	21,344
1895 ...	8,390	2,642	31·4	12,817	7,313	57·0	21,207
1896 ...	9,829	3,056	31·0	13,442	6,973	51·8	23,271
1897 ...	10,604	3,539	33·3	12,553	5,932	47·2	23,157
1898 ...	11,033	3,872	35·0	12,070	5,523	45·7	23,103
1899 ...	11,442	4,334	37·8	15,659	8,227	52·5	27,101
1900 ...	14,112	5,300	37·5	17,124	9,142	53·3	31,236
1901 ...	15,245	5,569	36·5	16,154	8,014	49·6	31,399
1902*	14,815	5,447	36·7	18,047	9,318	51·6	32,862
1903 ...	16,730	5,782	34·5	19,540	10,163	52·0	36,270
1904 ...	20,507	6,989	34·0	20,811	10,980	52·7	41,318
1905 ...	21,549	6,927	32·1	20,343	10,613	52·1	41,892
1906 ...	23,980	7,857	32·7	24,862	15,394	61·9	48,842
1907 ...	26,067	8,487	32·5	28,013	15,154	54·0	54,080
1908 ...	25,093	8,265	32·9	21,313	11,145	52·1	46,406
1909 ...	22,226	6,744	30·3	25,991	13,095	50·3	48,217
1910 ...	23,509	7,311	31·0	28,895	14,327	49·5	52,404
1911 ...	27,115	8,557	31·5	28,531	13,931	48·8	55,646
1912 ...	25,863	7,991	30·8	34,486	15,987	46·3	60,349
1913 ...	27,857	8,496	30·4	31,513	13,604	43·1	59,370
1914 ...	21,718	7,061	32·5	23,757	10,190	42·8	45,475
1915 ...	19,365	8,740	45·1	26,356	13,348	50·6	45,721
1916 ...	31,136	15,070	48·4	37,347	19,835	53·1	68,483
1917 ...	33,175	14,129	42·5	40,989	24,374	59·4	74,164
1918 ...	51,155	27,077	52·9	45,312	30,485	67·2	96,467
1919 ...	47,407	21,838	46·0	75,858	40,192	52·9	123,265
1920 ...	101,150	37,165	36·7	85,458	36,334	42·5	186,608
1921 ...	55,501	16,938	30·5	36,345	17,035	46·8	91,846

*N.B.—(i) Gold bullion cannot be excluded up to and including 1902.
(ii) For re-exports see Appendix .
(iii) For imports and exports of bullion and specie see Appendix.

APPENDIX I—*contd.*

Year.	Total Imports.	United Kingdom Share.	Per cent.	Total Exports.	United Kingdom Share.	Per cent.	Total Imports and Exports.
1922 ...	43,272	14,695	33·9	48,705	23,035	47·2	91,977
1923 ...	45,244	14,772	32·6	58,366	28,354	48·5	103,610
1924 ...	50,633	13,953	27·5	65,700	31,956	48·6	116,333
1925 ...	57,621	14,215	24·6	59,196	26,168	44·2	116,817
1926 ...	51,917	10,973	21·1	41,323	18,921	45·7	93,240
1927 ...	48,277	12,186	25·2	47,794	19,138	40·0	96,071
1928 ...	51,087	11,326	22·1	55,107	21,532	39·0	106,194
1929 ...	55,261	11,751	21·2	50,830	18,220	35·8	106,091
1930 ...	46,985	9,658	20·5	31,131	11,012	35·3	78,116
1931 ...	31,274	7,041	22·5	25,663	9,360	36·4	56,937
1932 ...	27,262	6,575	24·1	25,288	8,875	35·0	52,550
1933 ...	26,762	6,185	23·1	28,109	11,266	40·0	54,871
1934 ...	29,248	6,436	22·0	31,050	9,934	31·9	60,298
1935 ...	32,213	7,359	22·8	34,423	11,369	33·0	66,636
1936 ...	31,486	7,526	23·9	32,971	12,491	37·8	64,457
1937 ...	38,017	8,280	21·8	38,665	12,442	32·2	76,682
1938 ...	36,804	8,422	22·9	28,587	9,436	33·0	65,391

APPENDIX II.

BALANCE OF VISIBLE FOREIGN TRADE.

(Excluding Specie and Gold Bullion.)

(ooo's omitted.)

Year.	Imports.	Exports.	Re-exports.	Excess of Total Exports over Imports.
	£E.	£E.		
1929 ...	55,261	50,830	1,600	— 2,831
1930 ...	46,985	31,131	962	— 14,892
1931 ...	31,274	25,663	718	— 4,893
1932 ...	27,262	25,288	713	— 1,261
1933 ...	26,762	28,109	671	+ 2,018
1934 ...	29,248	31,050	568	+ 2,370
1935 ...	32,213	34,424	992	+ 3,203
1936 ...	31,486	32,971	924	+ 2,409
1937 ...	38,017	38,665	871	+ 1,519
1938 ...	36,804	28,587	777	— 7,440
Average for 10 years	35,531	32,671	879	— 1,981

Note.—The above figures of Egypt's foreign trade do not by themselves give a complete picture of the national balance sheet. To obtain this, it would be necessary to include also the invisible imports and exports. Data are not available from which these can be estimated with any approach to accuracy.

APPENDIX III.

SUMMARY OF VALUE OF IMPORTS INTO EGYPT—BY CATEGORIES.

(Including Bullion and Specie.)

Categories.	1937.	1938.	Increase (+) or Decrease (—) in 1938.
	£E.	£E.	£E.
1. Living animals and products of the animal kingdom ...	811,896	844,013	+ 32,117
2. Products of the vegetable kingdom ...	2,401,497	2,483,632	+ 82,135
3. Animal and vegetable fatty substances, greases, oils and waxes, and alimentary fats	708,312	576,312	— 132,000
4. Products of the food preparing industries, beverages, alcoholic liquids, vinegar, and tobacco	1,790,075	2,283,584	+ 493,509
5. Mineral products ...	4,675,890	4,582,892	— 92,998
6. Chemical and pharmaceutical products, colours, varnishes, perfumery, soap, candles, glue, gelatine, explosives, and fertilisers ...	5,134,182	4,829,761	— 304,421
7. Skins, hides, leather, furs, and articles thereof ...	294,599	301,017	+ 6,418
8. Rubber and manufactures thereof ...	218,043	292,079	+ 74,036
9. Wood, cork, articles thereof and articles made of plaiting materials ...	1,579,910	1,730,493	+ 150,583
10. Paper and its applications ...	1,303,796	1,037,014	— 266,782
11. Textile materials and textiles	8,825,505	7,037,999	— 1,787,506
12. Footwear, hats, tarbooshes, umbrellas, parasols, and sticks; articles of fashion ...	146,632	124,458	— 22,174
13. Wares of stone and other mineral materials, pottery, glass, and glassware ...	638,154	520,383	— 117,771
14. Precious metals, pearls, precious stones, and coins ...	461,529	546,743	+ 85,214
15. Common metals and manufactures thereof ...	3,874,630	3,838,592	— 36,038
16. Machinery and apparatus, and electric material ...	2,612,876	2,687,854	+ 74,978
17. Means of transport ...	1,537,598	2,020,498	+ 482,900
18. Scientific and precision instruments and apparatus, horological wares and musical instruments ...	441,419	478,834	+ 37,415
19. Arms and ammunition ...	130,360	266,800	+ 136,440
20. Miscellaneous goods and products, not elsewhere included	426,181	428,934	+ 2,753
21. Works of art and articles for collections ...	25,014	22,481	— 2,533
Total of imports ...	38,038,098	36,934,373	— 1,103,725

APPENDIX IV.
VALUE OF IMPORTS BY COUNTRIES.
(Excluding Bullion and Specie.)
(ooo's omitted.)

1936.					1937.					1938.				
Order	Country.	Value £E.	Inc (+) or Dec. (-)	Per cent.	Order	Country.	Value £E.	Inc (+) or Dec. (-)	Per cent.	Order	Country.	Value £E.	Inc (+) or Dec. (-)	Per cent.
1.	United Kingdom	7,526	+ 166	23.9	1.	United Kingdom	8,280	+ 754	21.9	1.	United Kingdom	8,422	+ 142	22.9
2.	Germany	3,511	+ 637	11.1	2.	Germany	4,198	+ 687	11.0	2.	Germany	3,735	- 463	10.1
7.	Italy	1,093	- 708	3.5	3.	Italy	3,283	+ 2,190	8.6	3.	Italy	3,004	- 279	8.3
4.	U.S.A....	1,810	+ 144	5.7	5.	U.S.A....	2,143	+ 333	5.6	4.	U.S.A....	2,456	+ 313	6.7
5.	Belgium	1,733	+ 154	5.5	4.	Belgium	2,289	+ 556	6.0	5.	Belgium	2,074	- 215	5.6
6.	France...	1,650	- 44	5.2	6.	France...	1,701	+ 51	4.5	6.	France...	1,956	+ 255	5.3
12.	Dutch East Indies	603	+ 155	1.9	11.	Dutch East Indies	955	+ 352	2.5	7.	Dutch East Indies	1,725	+ 770	4.7
8.	Roumania	1,042	- 57	3.3	7.	Roumania	1,565	+ 523	4.1	8.	Roumania	1,398	- 167	3.8
9.	Chile	931	+ 141	3.0	9.	Chile	1,356	+ 425	3.6	9.	Chile	977	- 379	2.7
3.	Japan...	2,178	- 1,691	6.9	8.	Japan...	1,539	- 639	4.0	10.	Japan...	955	- 584	2.6
10.	British India	861	+ 148	2.7	10.	British India	1,055	+ 194	2.8	11.	British India	874	- 181	2.4
11.	Netherlands	605	+ 25	1.9	13.	Netherlands	750	+ 145	2.0	12.	Netherlands	819	+ 69	2.2
14.	Iran	598	+ 1	1.9	12.	Iran	794	+ 196	2.1	13.	Iran	595	- 199	1.6
19.	Switzerland	402	+ 84	1.3	17.	Switzerland	506	+ 104	1.3	14.	Switzerland	595	+ 89	1.6
15.	Czechoslovakia	521	+ 110	1.7	14.	Czechoslovakia	738	+ 217	1.9	15.	Czechoslovakia	577	- 161	1.6
20.	Sweden	367	- 2	1.2	18.	Sweden	494	+ 127	1.3	16.	Sweden	531	+ 37	1.4
16.	Norway	520	- 148	1.7	21.	Norway	432	- 88	1.1	17.	Norway	517	+ 85	1.4
13.	U.S.S.R.	603	- 140	1.9	20.	U.S.S.R.	458	- 145	1.2	18.	U.S.S.R.	440	- 22	1.3

APPENDIX VI.
IMPORTS AND EXPORTS OF BULLION AND SPECIE.

Year.	Imports.			Domestic Exports.		
	Total Value. £E.	Of which from	Value. £E.	Total Value. £E.	Of which to	Value. £E.
1933 ...	9,462	United Kingdom	7,136	740,663	United Kingdom	740,638
1934 ...	60,092	United Kingdom	53,186	7,722	United Kingdom	6,343
1935 ...	19,217	United Kingdom	724	1,269,103	United Kingdom	1,267,763
1936 ...	19,286	United Kingdom	620	7,615	United Kingdom	557
1937 ...	21,558	United Kingdom	7,911	1,094,255	United Kingdom	4,647
					U.S.A. ...	1,068,936
					United Kingdom	427,459
					France ...	81,884
					Switzerland	125,450
					Hedjaz and Nejd	35,719
1938 ...	130,461	United Kingdom	74,586	755,123	Palestine...	39,874
					Syria ...	44,733

APPENDIX VII.
QUANTITY AND VALUE OF COTTON PIECE GOODS IMPORTED IN 1937 AND 1938.
(ooo's omitted.)

From	Year.	Grey.	Bleached.	Dyed in the piece.	Dyed in the yarn.	Printed.	Percentage of total square metrage imported.	Total imports.	
		Square Metres.	Square Metres.	Square Metres.	Square Metres.	Square Metres.		Square Metres.	Value £E.
United Kingdom ...	1937	11,708	14,038	11,326	986	5,252	25.5	43,310	930
	1938	11,388	12,519	8,572	451	2,118	25.5	35,048	636
Belgium ...	1937	158	379	501	1,804	58	1.7	2,900	93
	1938	—	—	—	—	—	2.8	3,891	75
British India ...	1937	13,504	4,188	37	960	8	11.0	18,697	290
	1938	3,404	1,581	12	192	10	3.8	5,199	81
Italy ...	1937	72	8,283	18,600	21,216	10,753	39.2	66,557	1,637
	1938	139	8,617	18,319	22,390	12,041	50.6	69,567	1,521
Japan ...	1937	3,259	4,524	481	3,312	8,742	12.0	20,318	276
	1938	3,164	4,027	330	1,187	1,628	7.5	10,336	112
France ...	1937	7	66	87	90	250	0.3	500	19
	1938	—	—	74	49	158	0.2	338	13
Czechoslovakia ...	1937	10	34	118	393	2,820	2.0	3,375	154
	1938	—	—	—	—	1,535	1.4	1,887	76
Germany ...	1937	3	20	71	558	1,682	1.4	2,334	88
	1938	—	—	—	—	817	1.2	1,698	61
Hungary ...	1937	—	13	47	123	4,546	2.8	4,729	126
	1938	—	—	—	—	3,908	2.8	4,166	92
Switzerland ...	1937	22	83	594	68	141	0.5	908	37
	1938	—	—	1,197	—	—	1.2	1,667	60
Poland ...	1937	—	621	45	106	3,471	2.5	4,243	126
	1938	—	334	23	37	2,190	1.9	2,584	67
TOTAL (including other countries) ...	1937	36,397	33,342	31,947	29,850	38,986	—	160,522	3,830
	1938	26,767	27,591	28,994	27,040	27,037	—	137,429	2,828

NOTE.—The figures for the total imports are based on the figures for the small supplying countries.

APPENDIX VIII.

PURE COTTON THREAD IMPORTED INTO EGYPT DURING
1937 AND 1938.

	1937.		1938.	
	Dozens.	Value.	Dozens.	Value.
Thread, pure cotton, on wooden reels :—		£E.		£E.
United Kingdom ...	713,719	49,013	364,150	29,500
Belgium	722,390	26,777	295,851	11,983
Netherlands	21,528	2,091	22,162	2,194
Italy	904,109	40,449	955,960	30,962
Japan	8,400	152	10,218	234
U.S.S.R....	—	—	15,598	767
Other countries...	5,913	216	6,992	247
TOTAL	2,376,059	118,698	1,670,931	75,887
	Kilo-grammes.	Value.	Kilo-grammes.	Value.
Thread, pure cotton, not on wooden reels :—	Net.	£E.	Net.	£E.
United Kingdom ...	33,631	17,957	14,579	10,053
France	24,781	16,072	20,236	13,277
Italy	22,081	7,759	8,846	3,781
Other countries...	23,198	7,610	15,366	4,829
TOTAL	103,691	49,398	59,027	31,940
GRAND TOTAL ...	—	168,096	—	107,827

APPENDIX IX.

IMPORTS OF COTTON YARNS IN 1937 AND 1938.

Category.	1937.		1938.	
	Quantity in Kilos.	Value.	Quantity in Kilos.	Value.
Cotton yarn, pure, single :—	Net.	£E.	Net.	£E.
Unbleached	161,908	17,163	167,135	21,098
Bleached	2,730	254	3,194	507
Dyed or printed	29,190	4,614	25,977	3,295
Glazed, unbleached	2,063	516	5,827	1,072
Glazed, bleached	1,556	195	576	97
Glazed, dyed or printed	1,827	311	4,463	759
Cotton yarn, pure, folded :—				
Unbleached	327,612	34,866	383,804	40,748
Bleached	2,196	433	1,074	362
Dyed or printed	4,355	772	5,022	1,038
Glazed, unbleached	67,602	17,689	82,322	20,160
Glazed, bleached	31,010	8,210	28,426	7,389
Glazed, dyed or printed	33,572	8,421	64,721	15,173
TOTAL	665,621	93,444	772,541	111,698

APPENDIX X.

IMPORTS OF WOOLLEN PIECE GOODS IN 1937 AND 1938.

From	1937.		1938.	
	Kilo-grammes.	Value.	Kilo-grammes.	Value.
(A) Woven fabrics, wool or hair, pure :—	Net.	£E.	Net.	£E.
United Kingdom ...	488,686	280,574	583,443	298,740
Czechoslovakia ...	24,840	15,455	25,685	14,062
France ...	36,551	30,468	60,477	39,628
Germany ...	41,139	29,617	33,722	22,206
Italy ...	67,673	37,437	110,336	58,253
Japan ...	119,338	61,715	123,165	59,151
Other countries ...	29,554	17,784	33,757	18,734
TOTAL ...	807,781	473,050	970,585	510,774
(B) Woven fabrics, wool or hair, mixed with cotton :—				
United Kingdom ...	443,756	272,998	261,014	144,789
Czechoslovakia ...	21,860	11,352	12,953	5,815
France ...	6,190	3,177	6,975	3,375
Germany ...	56,249	31,425	37,369	19,417
Hungary ...	14,895	9,828	5,383	3,550
Italy ...	214,501	126,126	179,055	91,619
Japan ...	382,608	193,944	142,857	70,242
Poland ...	15,698	4,231	13,008	2,471
Other countries ...	36,574	19,838	16,416	8,703
TOTAL ...	1,192,331	672,919	675,030	349,981
TOTAL woven fabrics, wool or hair, pure, or mixed with cotton ...	2,000,112	1,145,969	1,645,615	860,755

APPENDIX XI.

VALUE OF IMPORTS OF CERTAIN CLASSES OF MACHINERY
AND APPARATUS IN 1937 AND 1938.

	1937.	1938.
	£E.	£E.
Pumps, stationary, steam or internal combustion—		
United Kingdom	19,689	23,846
Belgium	73	5,367
Germany... ..	5,069	5,813
Switzerland	13,118	31,623
United States of America	9,356	12,485
Other countries	8,060	8,609
Total	55,365	87,743
Engines, stationary, steam—		
United Kingdom	462	520
Belgium	—	5,233
United States of America	437	—
Other countries	9,433	5,743
Total	10,332	11,496
Engines, stationary, internal combustion—		
United Kingdom	131,100	131,546
Belgium	5,511	612
Germany... ..	40,516	24,460
Hungary... ..	65,703	8,035
Italy	46	8,647
Switzerland	27,116	29,871
Other countries	14,924	13,691
Total	284,916	216,862
Boilers and Generators, steam—		
United Kingdom	28,060	11,935
Belgium	5,564	595
Germany... ..	16,696	4,294
Other countries	1,737	1,285
Total	52,057	18,109
Heaters, Superheaters, Refrigerators, and the like—		
United Kingdom	2,507	6,038
France	11,438	6,336
Germany... ..	5,459	1,575
United States of America	28,487	12,726
Other countries	435	4,116
Total	48,326	30,791

APPENDIX XI—*contd.*

	1937.	1938.
	£E.	£E.
Parts of Engines and Pumps, stationary, steam or internal combustion—		
United Kingdom	18,091	19,545
Germany... ..	8,267	18,808
Hungary... ..	4,113	10,948
Italy	1,268	1,943
Sweden	1,103	378
Switzerland	15,728	15,797
United States of America	1,140	2,595
Other countries	1,845	2,624
Total	51,555	72,638
Engines, portable or semi-fixed, internal combustion—		
United Kingdom	2,816	21,522
France	182	1,440
Germany... ..	3,309	5,093
United States of America	653	8,686
Total	6,960	36,741
Locomotives and Tenders—		
United Kingdom	157,641	182,412
Belgium	6,180	2,009
Germany... ..	10,636	3,881
United States of America	—	932
Czechoslovakia	—	13,533
Total	174,457	202,767
Tractors—		
United Kingdom	7,012	3,510
Germany... ..	43,898	25,784
United States of America	58,179	41,754
Other countries	4,761	1,453
Total	113,850	72,501
Parts of Engines, portable or semi-fixed, steam or internal combustion—		
United Kingdom	3,417	4,163
Germany... ..	3,398	3,441
Hungary... ..	1,107	2,446
United States of America	16,332	13,404
Other countries	552	1,013
Total	24,806	24,467

APPENDIX XI—*contd.*

	1937.	1938.
	£E.	£E.
Apparatus, lifting and loading, portable—		
United Kingdom	1,754	1,954
France	662	503
Germany... ..	1,823	1,062
United States of America	778	1,552
Other countries	722	1,059
Total	5,739	6,130
Apparatus, lifting and loading, or unloading cranes, lifts, etc., not portable—		
United Kingdom	14,742	24,355
France	6,106	5,785
Germany... ..	6,996	3,150
Italy	6,055	7,401
Switzerland	6,618	6,337
Belgium	14,916	} 24,702
Sweden	2,345	
United States of America	5,696	
Other countries	2,641	
Total	66,115	71,730
Machine Tools—		
United Kingdom	13,268	27,790
Germany... ..	9,272	9,004
Other countries	12,611	9,289
Total	35,151	46,083
Machines and Looms for knitting—		
United Kingdom	2,479	4,848
Germany... ..	6,645	9,629
Other countries	2,495	7,861
Total	11,619	22,338
Machines and Looms for weaving—		
United Kingdom	184,237	86,540
France	20,013	21,209
Germany... ..	35,883	40,475
Other countries	12,442	35,376
Total	252,575	183,600
Stands and Transmission Gearing for sewing machines—		
United Kingdom	14,348	9,609
Germany... ..	897	905
Italy	968	372
Other countries	223	543
Total	16,436	11,429

APPENDIX XI—*contd.*

	1937.	1938.
	£E.	£E.
Sewing Machines, proper or complete—		
United Kingdom	35,057	25,110
Germany... ..	5,279	8,565
Other countries	4,364	4,501
Total	44,700	38,176
Parts and Spares of sewing machines—		
United Kingdom	3,296	2,408
Germany... ..	2,564	2,635
Other countries	1,746	811
Total	7,606	5,854
Machines for printing and type-setting—		
United Kingdom	14,410	5,029
Germany... ..	11,417	11,911
United States of America	6,166	351
Other countries	5,252	3,376
Total	37,245	20,667
Machinery and Apparatus for agriculture and horticulture—		
United Kingdom	15,245	9,839
Germany... ..	5,620	9,158
Hungary... ..	2,531	1,942
United States of America	8,252	3,950
Other countries	5,044	2,061
Total	36,692	26,950
Machinery for flour milling and making bread and alimentary pastes—		
United Kingdom	25	23
Germany... ..	8,045	16,298
Italy	2,931	1,932
Switzerland	3,351	10,095
Other countries	1,378	3,372
Total	15,730	31,720
Machinery and Apparatus, not specified, not aluminium or copper—		
United Kingdom	61,047	60,256
Denmark... ..	44,156	18,095
France	9,141	20,480
Germany... ..	44,962	41,863
Switzerland	1,577	1,585
United States of America	10,993	9,696
Other countries	24,770	27,199
Total	196,646	179,174

APPENDIX XI—*contd.*

	1937.	1938.
	£E.	£E.
Gear, transmission, for machines—		
United Kingdom	21,946	23,504
France	6,412	4,454
Germany... ..	4,470	6,596
Switzerland	762	1,237
Other countries	8,601	14,576
Total	42,191	50,367
Parts of machinery and mechanical and transmission apparatus, non-malleable, cast iron—		
United Kingdom	4,924	7,905
Germany... ..	1,612	4,976
Netherlands	1,211	4,421
Italy	937	434
United States of America	12,557	31,148
Other countries	1,645	1,412
Total	22,886	50,296
Parts of machinery and mechanical and transmission apparatus, various metals—		
United Kingdom	80,863	96,521
Belgium	10,740	9,489
France	43,409	34,984
Germany... ..	32,598	35,040
Hungary... ..	1,886	2,787
Italy	4,561	6,271
Switzerland	3,159	5,646
United States of America	12,720	25,320
Other countries	11,231	21,441
Total	201,167	237,499

APPENDIX XII.

IMPORTS OF CERTAIN ELECTRICAL AND OTHER APPARATUS,
LAMPS, ETC., IN 1937 AND 1938.

	1937.	1938.
Generators, motors and transformers, electric :—	£E.	£E.
(a) 1,000 kilogrammes and over—		
United Kingdom	9,789	4,933
Germany	8,328	16,947
Other countries	16,481	29,680
Total	34,598	51,560
(b) 50 kilogrammes to less than 1,000 kilogrammes—		
United Kingdom	11,647	13,861
Germany	5,834	9,845
Other countries	17,934	40,230
Total	35,415	63,936
(c) Less than 50 kilogrammes—		
Total	15,363	16,448
Batteries and parts—		
Total	20,541	21,573
Accumulators, electric, and parts—		
United Kingdom	15,584	7,814
Germany	6,777	6,311
Italy	550	767
U.S.A.	4,233	5,257
Other countries	3,644	6,119
Total	30,788	26,268
Fans, electric—		
Total	5,156	4,381
Lamps, electric, for lighting—		
Total	47,162	46,030
Lamps, electric, for wireless—		
Total	9,300	7,446
Apparatus, telegraph and telephone, ordinary, and parts—		
United Kingdom	27,679	27,438
Other countries	5,837	17,867
Total	33,516	45,305

APPENDIX XII—*contd.*

	1937.		1938.	
	No.	£E.	No.	£E.
Radio receiving sets :—				
United Kingdom	2,255	16,762	2,244	16,414
Austria	336	2,492	64	503
Germany	1,474	9,731	1,488	9,915
Netherlands	5,097	32,388	4,465	27,179
Hungary	649	3,681	737	4,301
Japan	9	12	14	15
U.S.A.	9,527	56,148	7,932	45,527
Other countries	733	3,852	689	4,081
Total	20,080	125,066	17,633	107,935

	1937.	1938.
	£E.	£E.
Parts and fittings for radio sets— Total	7,623	9,273
Apparatus, telegraph and telephone, wireless, and parts— Total	5,755	11,639
Apparatus, electric, for signalling— Total	6,394	5,837
Apparatus, electro-medical— Total	24,879	26,544
Refrigerators, electric, for domestic use— Total	7,831	9,916
Apparatus, electric, for domestic use, not specified— Total	10,937	16,712
Cable, electric, insulated, submarine and subterranean—		
United Kingdom	1,133	22,766
Belgium	31,588	18,560
France... ..	8,171	28,917
Germany	23,611	19,131
Netherlands	1,768	3,945
Italy	3,607	6,247
Other countries	2,602	6,591
Total	72,480	106,157

APPENDIX XII—*contd.*

	1937.	1938.
	£E.	£E.
Wire and cable, electric, insulated, not specified—		
United Kingdom	5,129	7,653
Belgium	12,915	11,554
Germany	12,773	13,978
Other countries	10,823	17,490
Total	41,640	50,675
Other electrical apparatus and parts—		
Total	176,965	233,456

APPENDIX XIII.
VALUE OF IMPORTS OF CERTAIN IRON AND STEEL GOODS.

Country.	Bars, iron or steel. (Also I.T.U. profiles.)	Rails, fish- plates and railway sleepers.	Sheet, iron or steel, common.	Sheet, iron or steel, tinned or coated with a common metal.	Hoops, iron or steel.	Pipes, non- malleable cast-iron, over 4 ins. up to 6 ins., over 22 kilo- grammes per metre.	Pipes, non- malleable cast-iron, over 6 ins.	Tubes and pipes, iron, steel, or malleable cast-iron, not perforated, common.	Tubes, pipes and joints, steel, or malle- able cast- iron, coated tin, lead or zinc.	Struc- tures, iron or steel.	Cables and wire ropes, iron and steel.	TOTALS.
	£E.	£E.	£E.	£E.	£E.	£E.	£E.	£E.	£E.	£E.	£E.	£E.
United Kingdom.												
1937 ...	14,095	22,213	116,003	79,407	39,112	4,117	26,040	18,712	21,387	70,179	15,860	427,125
1938 ...	12,219	20,140	79,333	98,314	58,138	4,420	42,204	28,553	17,097	95,615	8,396	464,429
Belgium.												
1937 ...	561,415	88,581	86,266	—	73,230	—	1,384	—	—	56,103	4,033	871,012
1938 ...	508,870	44,193	58,557	—	41,198	—	18,785	—	—	83,397	3,515	758,515
France.												
1937 ...	91,986	1,309	23,269	—	—	611	7,584	5,659	8,645	425	689	140,087
1938 ...	51,001	11,948	36,903	—	—	21,924	44,348	7,676	2,302	1,923	1,443	179,468
Germany.												
1937 ...	46,166	48,295	21,964	—	41,578	2,616	—	28,268	37,838	10,715	4,306	241,746
1938 ...	29,165	55,048	12,041	—	50,562	589	—	150,393	4,404	38,087	3,708	343,997
Italy.												
1937 ...	—	—	—	28,861	—	—	—	—	—	—	—	28,861
1938 ...	—	—	—	36,970	—	—	—	—	—	—	—	36,970
United States of America.												
1937 ...	—	—	—	86,131	—	—	—	—	2,396	—	—	88,527
1938 ...	—	—	—	38,142	—	—	—	—	2,439	—	—	40,581
Czechoslovakia.												
1937 ...	—	—	—	—	—	—	—	1,513	—	—	—	1,513
1938 ...	—	—	—	—	—	—	—	1,045	—	—	—	1,045
Japan.												
1937 ...	—	—	—	—	—	—	—	—	3,585	—	—	3,585
1938 ...	—	—	—	—	—	—	—	—	1,216	—	—	1,216
Other countries.												
1937 ...	125,299	41,933	61,020	4,958	15,413	282	2,922	32,178	20,809	25,084	1,416	331,334
1938 ...	97,204	5,952	103,735	4,932	35,009	931	301	47,458	12,700	28,220	4,006	340,718
TOTALS.												

APPENDIX XIV.
SUMMARY OF VALUE OF EXPORTS FROM EGYPT—
BY CATEGORIES.

(Including Bullion and Specie.)

Categories.	1937.	1938.	Increase (+) or Decrease (—) in 1938.
1. Living animals and products of the animal kingdom ...	£E. 276,506	£E. 233,326	— £E. 43,180
2. Products of the vegetable king- dom	4,785,098	3,729,214	— 1,055,884
3. Animal and vegetable fatty substances, greases, oils and waxes and alimentary fats...	325,326	231,596	— 93,730
4. Products of the food preparing industries, beverages, alco- holic liquids, vinegar, and tobacco	1,517,504 655,720	1,327,195 616,872	— 190,309 — 38,848
5. Mineral products			
6. Chemical and pharmaceutical products, colours, varnishes, perfumery, soap, candles, glue, gelatine, explosives, and fertilisers	502,935	452,389	— 50,546
7. Skins, hides, leather, furs, and articles thereof	359,953	213,612	— 146,341
8. Rubber and manufactures thereof	758	1,089	+ 331
9. Wood, cork, articles thereof, and articles made of plaiting materials	15,774	10,845	— 4,929
10. Paper and its applications ...	111,857	103,947	— 7,910
11. Textile materials and textiles	29,707,077	21,543,832	— 8,163,245
12. Footwear, hats, tarbooshes, umbrellas, parasols, and sticks; articles of fashion ...	4,616	3,225	— 1,391
13. Wares of stone and other mineral materials, pottery, glass and glassware	4,560	2,887	— 1,673
14. Precious metals, pearls, precious stones and coins	1,361,980	768,583	— 593,397
15. Common metals and manufac- tures thereof... ..	38,718	21,050	— 17,668
16. Machinery and apparatus, and electric material	3,332	2,379	— 953
17. Means of transport	3,533	2,372	— 1,161
18. Scientific and precision instru- ments and apparatus, horo- logical wares, and musical instruments	1,233	243	— 990
19. Arms and ammunition	5	—	— 5
20. Miscellaneous goods and pro- ducts, not elsewhere included	54,947	68,594	+ 13,647
21. Works of art and articles for collections	27,634	9,236	— 18,398
TOTAL OF EXPORTS ...	39,759,066	29,342,486	—10,416,580

(Excluding Bullion and Specie.)
(ooo's omitted.)

1936.					1937.					1938.							
Order.	Country.	Value. £E.	Inc. (+) Dec. (-)	Per cent.	Order	Country.	Value. £E.	Inc. (+) Dec. (-)	Per cent.	Order	Country.	Value. £E.	Inc. (+) Dec. (-)	Per cent.			
1.	United Kingdom	12,491	+ 1,122	37.9	1.	United Kingdom	12,442	- 49	32.2	1.	United Kingdom	9,436	- 3,006	33.0			
4.	Germany ...	2,291	- 507	6.9	3.	Germany ...	3,310	- 1,019	8.5	2.	Germany ...	3,354	+	44	11.7		
2.	France ...	3,298	- 479	10.0	2.	France ...	4,245	+	947	11.0	3.	France ...	2,318	- 1,927	8.1		
3.	Japan ...	2,541	+	703	7.7	4.	Japan ...	2,468	- 73	6.4	4.	Japan ...	1,841	- 627	6.4		
9.	Italy ...	943	- 1,315	2.8	5.	Italy ...	2,392	+	1,449	6.2	5.	Italy ...	1,745	- 647	6.1		
6.	British India	1,262	- 579	3.8	6.	British India	1,951	+	689	5.0	6.	British India	1,538	- 413	5.4		
7.	Czechoslovakia	1,101	+	103	3.3	9.	Czechoslovakia	1,262	+	161	3.3	7.	Czechoslovakia	971	- 291	3.4	
8.	Switzerland ...	982	- 25	3.0	8.	Switzerland ...	1,335	+	353	3.4	8.	Switzerland ...	952	- 383	3.3		
5.	U.S.A.	1,478	+	115	4.5	7.	U.S.A.	1,556	+	78	4.0	9.	U.S.A.	708	- 848	2.8	
10.	Roumania ...	702	+	248	2.1	10.	Roumania ...	1,216	+	514	3.2	10.	Roumania ...	705	- 511	2.8	
12.	Poland ...	532	- 40	1.6	12.	Poland ...	553	+	21	1.4	11.	Poland ...	633	+	80	2.2	
13.	Belgium ...	481	+	67	1.4	11.	Belgium ...	800	+	319	2.1	12.	Belgium ...	465	- 335	1.6	
14.	Palestine ...	470	- 28	1.4	13.	Palestine ...	540	+	70	1.4	13.	Palestine ...	369	- 171	1.3		
15.	Netherlands ...	431	+	134	1.3	14.	Netherlands ...	490	+	59	1.3	14.	Netherlands ...	346	- 144	1.2	
18.	Greece ...	376	+	15	1.1	15.	Greece ...	468	+	92	1.2	15.	Greece ...	332	- 136	1.2	
16.	Austria ...	381	+	90	1.1	16.	Austria ...	425	+	44	1.1	16.	Austria ...	262	- 163	0.9	
21.	Sweden ...	209	- 27	0.6	18.	Sweden ...	286	+	77	0.7	17.	Sweden ...	252	- 34	0.9		
20.	Hungary ...	223	- 81	0.7	19.	Hungary ...	250	+	27	0.6	18.	Hungary ...	239	- 11	0.8		
19.	Syria ...	239	- 51	0.7	20.	Syria ...	219	- 20	0.5	19.	Syria ...	206	- 13	0.7			
17.	China...	378	+	96	1.1	21.	China...	207	- 171	0.5	20.	China...	200	- 7	0.7		
27.	Portugal ...	82	- 56	0.3	24.	Portugal ...	134	+	52	0.3	21.	Portugal ...	154	+	20	0.5	
—	Chile ...	43	+	17	0.1	25.	Chile ...	128	+	85	0.3	22.	Chile ...	148	+	20	0.5
—	Estonia ...	45	- 50	0.1	26.	Estonia ...	107	+	62	0.3	23.	Estonia ...	127	+	20	0.4	
22.	Yugoslavia ...	187	+	104	0.5	22.	Yugoslavia ...	138	- 49	0.3	24.	Yugoslavia ...	95	- 43	0.3		
23.	Turkey ...	128	+	41	0.4	17.	Turkey ...	359	+	231	1.0	25.	Turkey ...	85	- 274	0.3	
26.	Canada ...	86	- 50	0.3	27.	Canada ...	98	+	12	0.3	26.	Canada ...	80	- 18	0.3		
25.	Iraq ...	93	- 58	0.3	23.	Iraq ...	135	+	42	0.3	27.	Iraq ...	71	- 64	0.2		
24.	Malta and Gibraltar	126	+	65	0.4	28.	Malta and Gibraltar	68	- 58	0.2	28.	Malta and Gibraltar	64	- 4	0.2		
11.	Spain...	673	- 886	2.0	29.	Spain...	65	- 608	0.2	—	Spain...	19	- 46	—			
	TOTAL (including other countries)	32,972	- 1,452			TOTAL (including other countries)	38,665	+	5,603			TOTAL (including other countries)	28,587	- 10,078			

APPENDIX XVI.

DOMESTIC EXPORTS TO THE BRITISH EMPIRE (INCLUDING MANDATED TERRITORIES).

(Excluding Bullion and Specie.)

(ooo's omitted.)

1936.					1937.					1938.						
Order.	Country.	Value. £E.	Inc. (+) or Dec. (—)	Per cent.	Order	Country.	Value. £E.	Inc. (+) or Dec. (—)	Per cent.	Order	Country.	Value. £E.	Inc. (+) or Dec. (—)	Per cent.		
A. 1.	United Kingdom	12,491	+ 1,122	37.9	1.	United Kingdom	12,442	—	49	32.2	1.	United Kingdom	9,436	— 3,006	33.0	
24.	Malta and Gibraltar	126	+ 65	0.4	28.	Malta and Gibraltar	68	—	58	0.2	28.	Malta and Gibraltar	64	— 4	0.2	
—	Cyprus ...	46	— 15	0.1	—	Cyprus ...	76	+	30	0.2	—	Cyprus ...	45	— 31	0.1	
6.	British India	1,262	— 579	3.8	6.	British India	1,951	+	689	5.0	6.	British India	1,538	— 413	5.4	
—	Burma*	—	—	—	—	Burma*	—	—	—	—	—	Burma*	11	—	—	
—	Ceylon ...	52	+ 4	0.2	—	Ceylon ...	62	+	10	0.2	—	Ceylon ...	35	— 27	0.1	
—	Australia ...	7	+ 4	—	—	Australia ...	9	+	2	—	—	Australia ...	44	+	35	0.1
—	New Zealand	—	—	—	—	New Zealand	11	+	11	—	—	New Zealand	8	— 3	—	
26.	Canada ...	86	— 50	0.3	27.	Canada ...	98	+	12	0.3	26.	Canada ...	80	— 18	0.3	
—	British Malaya	46	+ 9	0.1	—	British Malaya	65	+	19	0.2	—	British Malaya	48	— 17	0.1	
—	Other British Possessions	—	—	—	—	Other British Possessions	—	—	—	—	—	Other British Possessions	—	—	—	
{	in Far East	15	— 1	—	—	in Far East	23	+	8	—	—	in Far East	17	— 6	—	
	South Africa...	5	+ 3	—	—	South Africa...	2	—	3	—	—	South Africa...	14	+	12	
	British East and West	—	—	—	—	British East and West	—	—	—	—	—	British East and West	—	—	—	
	Equatorial Africa ...	16	+ 7	—	—	Equatorial Africa ...	24	+	8	—	—	Equatorial Africa ...	14	— 10	—	
	Eire ...	4	— 8	—	—	Eire ...	9	+	5	—	—	Eire ...	10	+	1	
14.	Palestine ...	470	— 28	1.4	13.	Palestine ...	540	+	70	1.4	13.	Palestine ...	369	— 171	1.3	
C.	Overseas Empire	2,135	— 593	6.4	—	Overseas Empire	2,938	+	803	7.6	—	Overseas Empire	2,297	— 641	8.0	
D (A+C)	TOTAL ...	14,626	+ 529	44.3	—	TOTAL ...	15,380	+	754	39.8	—	TOTAL ...	11,733	— 3,647	41.0	

APPENDIX XVII.

EXPORTS OF RAW COTTON IN 1937 AND 1938.

(ooo's omitted.)

	1937.		1938.	
	Cantars.	Value.	Cantars.	Value.
		£E.		£E.
United Kingdom	2,747	8,533	2,393	6,101
Germany	863	2,952	1,038	2,875
France	1,230	3,980	818	2,159
Japan	694	2,192	647	1,675
Italy	650	2,188	582	1,578
British India	565	1,899	481	1,441
Switzerland	387	1,321	324	929
Czechoslovakia	346	1,244	297	859
Roumania	333	1,056	273	677
Poland	160	547	228	626
U.S.A.	258	995	166	523
Austria	122	407	94	251
Hungary	78	238	91	231
China	62	204	82	198
Belgium	109	321	73	177
Sweden	68	193	67	162
Estonia	35	107	52	127
Portugal... ..	35	131	48	144
Greece	33	102	31	78
Netherlands	28	86	31	82
Canada	23	82	30	77
Spain	2	6	8	18
TOTAL (including other countries)	8,900	29,002	7,937	21,190

Note.—One Egyptian cantar = 45 kilogrammes = 100 lbs.

APPENDIX XVIII.

STATEMENT OF VALUE OF RE-EXPORTS.

(Excluding Bullion and Specie.)

	1936.	1937.	1938.
	£E.	£E.	£E.
Total value of re-exports	924,356	870,984	777,124
Shares of the principal countries :—			
United Kingdom	49,877	110,780	70,281
Belgium	20,989	41,246	35,670
France	25,241	66,401	67,123
Germany	29,778	42,441	32,272
Italy	9,503	59,338	67,527
Roumania	43,597	52,706	20,448
Eritrea	228,928	3,307	1,418
Palestine	188,214	151,955	191,578
Syria	35,410	39,430	25,151
Hedjaz and Nejd	14,466	35,036	25,842

APPENDIX XIX.

(a) UNITED KINGDOM TRADE WITH EGYPT—IMPORTS.

The following were the principal lines in which United Kingdom imports lost ground in 1938.

Commodity.	1937 Value.	1938 Value.
	£E.	£E.
Cheese	14,315	11,262
Tea	23,080	18,280
Castor oil	4,184	2,097
Oils and butters, vegetables, for colours and varnishes... ..	9,056	6,406
Chocolates	41,716	36,756
Whisky	120,302	97,868
Nitro-chalk... ..	280,668	114,391
Leather, varnished, etc.	9,405	5,796
Artificial silk yarn... ..	19,000	13,538
Silk fabrics... ..	33,428	21,530
Woven fabrics, wool or hair, mixed with cotton	272,998	144,789
Thread, pure cotton, for retail sale	66,970	39,553
Tulle, pure cotton... ..	53,508	18,841
Cotton piece goods	929,580	653,564
Gauze, cotton, antiseptic... ..	11,734	7,231
Belts, camel hair or textile	18,471	12,378
Household linen, ready-made, cotton	10,972	5,204
Sheet iron or steel, common	116,003	79,333
Cables and wire ropes, iron or steel	15,860	8,396
Tractors	7,012	3,510
Machines and looms, for weaving	184,237	86,540
Sewing machines	35,057	25,110
Printing and type-setting machines	14,410	5,029
Agricultural machinery	15,245	9,839
Accumulators, electric	15,584	7,814
Motor lorry chassis	19,407	5,300
Motor cars	76,006	57,922
Photographic and cinematograph apparatus ...	10,599	2,337

On the other hand increases were registered in 1938 in respect of the undermentioned commodities.

Cod, salted, dried or smoked	12,922	15,558
Herring, salted, dried or smoked	24,906	33,511
Milk, preserved, condensed, not sweetened ...	724	2,627
Butter, fresh or salted	14,385	25,193
Potatoes	5,446	13,858
Meats, prepared, sausages, etc.	6,867	10,799
Beet sugar, refined	1,649	4,848
Confectionery	11,780	13,340
Flour, prepared	9,872	12,881
Beer... ..	47,291	65,631
Cigarettes	68,426	98,398
Coal and anthracite	1,461,708	1,578,073
Briquettes (coal)	—	20,493
Lubricating oils	17,572	30,146

Commodity.	1937 Value.	1938 Value.
	£E.	£E.
Medicines and pharmaceutical specialities ...	93,580	114,949
Chemical products, not specified ...	22,967	34,210
Cinema films (talking) ...	6,680	8,600
Coal tar dyes ...	13,427	17,465
Gunpowder, etc. ...	20,551	27,625
Leather, gin ...	5,683	11,389
Motor tyres and tubes ...	48,158	75,598
Woven fabrics, wool or hair, pure ...	280,574	298,740
Blankets and coverlets, wool ...	14,390	27,298
Sheet iron or steel, tinned, etc. ...	79,407	98,314
Hoops, iron or steel ...	39,112	58,138
Pipes, cast iron, non-malleable, over 6 inches ...	26,040	42,204
Tubes and pipes, iron, steel, or cast iron, malleable ...	18,712	28,553
Structures, iron or steel ...	70,179	95,615
Screws, bolts, and nuts ...	9,829	19,829
Copper bottoms ...	19,800	29,914
Lighting apparatus and lamp and lustre makers' ware ...	9,402	13,156
Pumps, stationary, steam, or internal com- bustion ...	19,689	23,816
Lifting and loading apparatus (cranes, lifts, etc.)	14,742	24,355
Machine tools ...	13,268	27,790
Machine parts ...	80,863	96,521
Cable, electric ...	1,133	22,766
Motor lorries ...	16,036	48,693
Aeroplanes ...	88,773	349,975

(b) UNITED KINGDOM TRADE WITH EGYPT—EXPORTS.

The most important increases in exports to the United Kingdom were in respect of the following commodities.

Eggs in shell ...	38,250	46,113
Onions ...	318,063	400,673
Potatoes ...	8,588	14,754
Cottonseed oil ...	11,202	32,686
Molasses ...	13,163	35,862
Cottonseed cake ...	783,756	830,494
Benzine ...	96,452	119,056
Phosphate of lime ...	630	5,082

Whilst decreased sales to the United Kingdom were registered in the following lines.

Barley ...	104,588	28,730
Bran ...	167,532	141,592
Cottonseed ...	1,784,885	1,453,187
Metallic ores ...	62,265	37,569
Hides and skins ...	69,544	40,450
Raw cotton ...	8,532,790	6,100,754
Rags, scraps and waste of textiles ...	10,859	5,153

APPENDIX XX (a).

ARRIVALS OF SHIPPING BY NATIONALITIES AT THE PRINCIPAL
EGYPTIAN PORTS, AND CARGO AND PASSENGERS LANDED.
(Year 1937.)

Port.	Number of vessels.	Net registered tonnage.	Tons of cargo landed.		Passengers disembarked.	
			For Egypt.	Transits.	For Egypt.	Transits.
ALEXANDRIA :—						
British... ..	618	1,313,223	1,407,047	14,639	9,466	328
Egyptian	203	359,222	182,232	3,880	6,951	34
American	99	509,486	51,562	5,185	1,649	18
Danish... ..	87	92,586	118,277	76	6	—
Dutch	55	100,563	141,687	420	24	1
French... ..	126	762,513	43,013	131	8,394	405
German	127	256,477	192,749	1,542	121	1
Greek	332	432,547	555,469	1,729	10,637	1,799
Italian... ..	362	1,015,809	158,450	1,064	18,498	1,390
TOTAL (including other nationalities)	2,495	5,686,239	3,489,897	34,389	60,270	4,503
PORT SAID :—						
Suez Canal Non-Transits						
British... ..	215	357,599	12,425	239,675	4,653	421
Egyptian	128	79,254	1,942	25,406	127	17
Greek	147	184,077	7,308	100,840	3,434	194
Italian... ..	91	231,456	3,966	26,171	265	10
TOTAL (including other nationalities)	830	1,314,240	57,975	644,586	8,690	643
PORT SAID :—						
Suez Canal Transits						
British... ..	1,544	7,877,593	48,459	961,063	7,080	2,319
Dutch	267	1,513,691	4,349	122,761	590	125
French... ..	206	1,184,617	6,917	22,513	1,965	591
German	460	2,182,083	11,438	80,794	403	123
Italian... ..	506	2,127,885	16,125	29,921	1,756	345
Japanese	110	583,004	2,143	7,098	457	68
TOTAL (including other nationalities)	3,347	16,500,120	94,107	1,461,957	12,408	3,635
SUEZ :—						
Suez Canal Non-Transits						
British... ..	208	265,060	490,285	1,882	1,598	597
Egyptian	123	105,268	28,825	901	11,389	593
Italian... ..	85	74,737	11,543	427	271	40
TOTAL (including other nationalities)	452	569,540	768,389	3,366	13,260	1,230

APPENDIX XX (a)—*contd.*

Port.	Number of vessels.	Net registered tonnage.	Tons of cargo landed.		Passengers disembarked.	
			For Egypt.	Transits.	For Egypt.	Transits.
SUEZ :—						
Suez Canal Transits						
British... ..	978	4,898,183	133,406	1,338	646	53
Dutch	216	1,135,923	19,521	7	71	11
French... ..	136	818,398	3,086	—	102	15
German	259	1,222,841	8,921	753	76	11
Italian... ..	332	1,373,607	3,690	2,100	494	92
Japanese	66	363,958	6,425	19	58	—
TOTAL (including other nationalities)	2,138	10,428,838	193,845	4,583	1,597	186
GRAND TOTAL (principal ports)	9,262	34,498,977	4,604,213	2,148,881	96,225	10,197
Of which—						
British... ..	3,563	14,711,658	2,091,622	1,218,597	23,443	3,718

APPENDIX XX (b).

ARRIVALS OF SHIPPING BY NATIONALITIES AT THE PRINCIPAL
EGYPTIAN PORTS AND CARGO AND PASSENGERS LANDED.

(Year 1938.)

Port.	Number of vessels.	Nett registered tonnage.	Tons of cargo landed.		Passengers disembarked.	
			For Egypt.	Transits.	For Egypt.	Transits.
ALEXANDRIA :—						
British... ..	561	1,193,165	1,468,398	9,848	7,248	280
Egyptian	241	539,171	267,123	8,303	8,679	212
American	76	397,057	40,186	2,788	1,705	12
Danish... ..	109	122,720	139,880	1,310	20	—
Dutch	60	100,077	137,791	781	48	6
French... ..	128	724,942	44,024	348	8,488	198
German	142	280,559	204,179	878	93	3
Greek	318	406,328	457,037	560	8,844	349
Italian... ..	343	1,032,723	146,301	185	19,887	604
TOTAL (including other nationalities)	2,452	5,595,372	3,532,989	30,390	59,817	2,078
PORT SAID :—						
Suez Canal						
Non-Transits						
British... ..	132	258,697	2,072	168,521	2,763	391
Egyptian	147	107,188	5,774	29,069	1,027	157
Greek	122	139,326	4,152	56,413	3,583	259
Italian... ..	122	250,984	6,251	12,391	262	92
TOTAL (including other nationalities)	771	1,112,120	44,497	405,164	8,216	909
PORT SAID :—						
Suez Canal						
Transits						
British... ..	1,488	7,805,850	65,444	759,022	7,098	2,418
Dutch	288	1,642,765	9,288	93,355	495	93
French... ..	195	1,168,799	10,396	15,614	1,668	557
German	426	2,044,446	18,103	76,050	340	108
Italian... ..	562	2,377,385	30,007	55,970	1,970	409
Japanese	80	449,436	3,229	19,732	325	63
TOTAL (including other nationalities)	3,284	16,450,382	142,713	1,151,333	11,985	3,672
SUEZ :—						
Suez Canal						
Non-Transits						
British... ..	230	289,985	561,909	308	1,050	2
Egyptian	173	133,787	41,088	1,674	11,898	1,001
Italian... ..	73	65,764	10,376	2,170	452	142
TOTAL (including other nationalities)	495	572,581	791,539	4,152	13,400	1,145

APPENDIX XX (b)—*contd.*

Port.	Number of vessels.	Net registered tonnage.	Tons of cargo landed.		Passengers disembarked.	
			For Egypt.	Transits.	For Egypt.	Transits.
SUEZ :—						
Suez Canal Transits						
British... ..	985	5,051,030	102,461	1,646	598	60
Dutch	269	1,397,689	32,471	39	87	7
French... ..	131	821,426	1,756	59	112	49
German	265	1,265,058	11,271	1,293	91	5
Italian... ..	369	1,535,961	3,701	2,138	481	60
Japanese	40	239,743	2,395	2	31	2
TOTAL (including other nationalities)	2,217	10,909,005	195,248	5,589	1,464	185
GRAND TOTAL (principal ports)	9,219	34,639,460	4,706,986	1,596,628	94,882	7,989
Of which—						
British... ..	3,396	14,598,727	2,200,284	939,345	18,757	3,151

APPENDIX XXI.

SUMMARY OF STATE BUDGETS.

(a) STATE BUDGET.

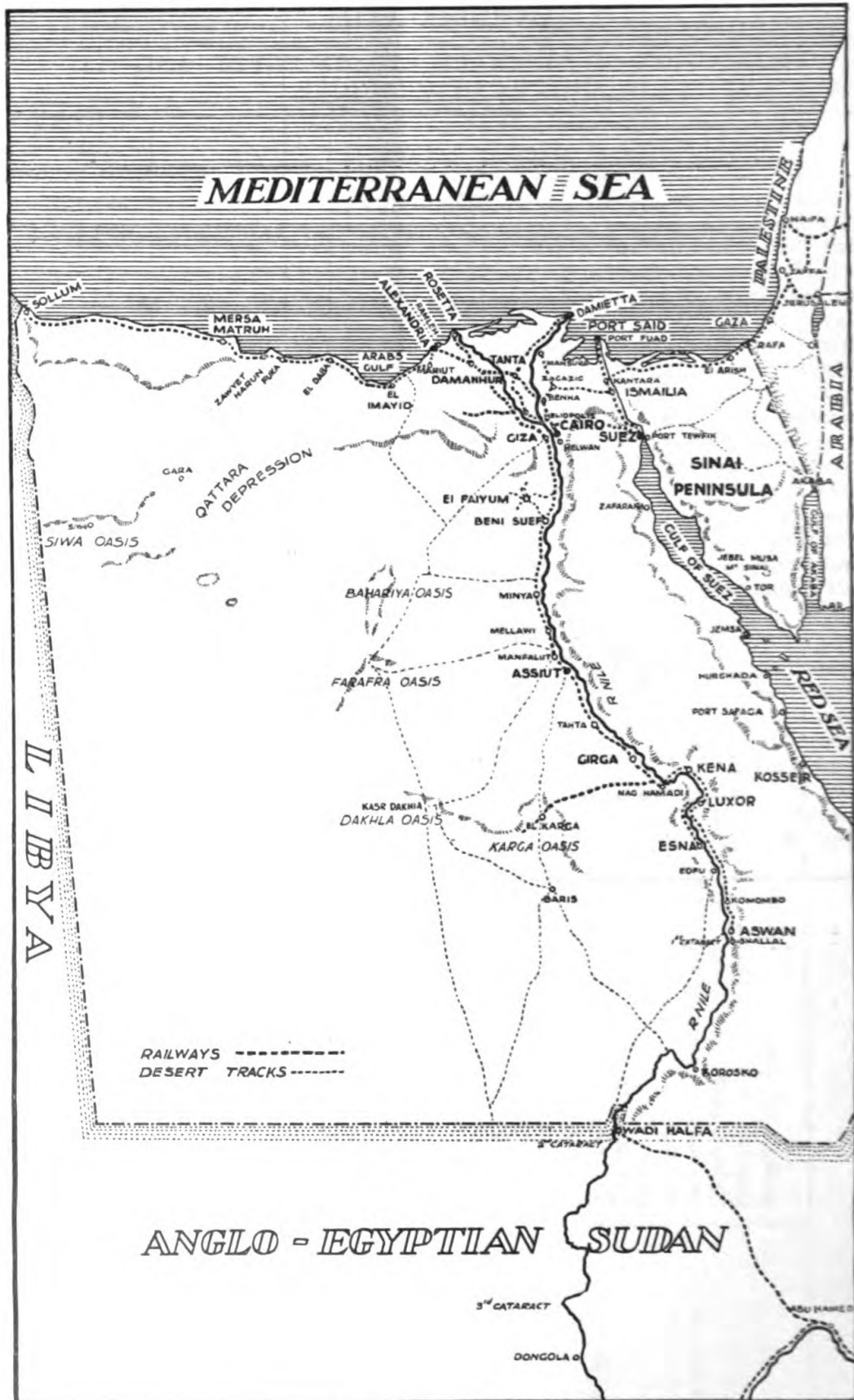
Year.	Heading.	Estimated.	Realised.	Remarks.
1936-37 ...	Revenue	£E. 35,153,260	£E. 35,502,853	
	Expenditure	35,150,042	34,192,037	
	Deficit...	—	—	
	Surplus	3,218	1,310,816*	* Credited to the Reserve Fund.
1937-38 ...	Revenue	36,992,820	37,148,111	
	Expenditure	36,992,820	36,332,328	
	Deficit...	—	—	
	Surplus	—	815,783*	* Credited to the Reserve Fund.
1938-39 ...	Revenue	38,997,000	37,390,000	
	Expenditure	42,267,000	39,702,000	
	Deficit...	3,270,000†	2,312,000†	† To be met by a draft on the Reserve Fund. ‡ Advance figures.
	Surplus	—	—	
1939-40 ...	Revenue	40,247,000	—	
	Expenditure	41,847,000	—	
	Deficit...	1,600,000†	—	† To be met by a draft on the Reserve Fund.
	Surplus	—	—	

APPENDIX XXII.

PRODUCTION OF MINERALS, ETC., IN EGYPT, AND
OUTPUT OF QUARRIES.

Mineral or Metal.	Unit.	1937.	1938.
Petroleum	Metric tons	170,860	225,736
Phosphate rock	"	517,002	458,404
Carbonate and sulphate of soda...	"	2,300	5,000
Ochres and oxides of iron	"	1,017	714
Nitrate bearing shale	"	11,305	Nil
Clay... ..	"	5,286	4,019
Talc... ..	"	2,266	1,251
Felspar	"	158	199
Pumice stone	"	2,811	1,975
Sulphate of barium	"	51	20
Manganese iron ore	"	186,320	153,112
Crystallised calcium carbonate	"	Nil	13
Gold, fine	Ozs.	1,226	2,162
Ilmenite	Metric tons	320	90
Wolfram	"	179	1,393
Nickel ore	"	275	630
Salt (brine salt)	"	153,470	145,317
<i>Output of Quarries.</i>			
Limestone	Cubic metres	1,528,644	1,554,187
Sandstone	"	23,910	47,320
Granite	"	17,944	17,944
Basalt	"	174,468	121,664
Sand	"	518,190	512,231
Clay... ..	"	113,460	93,924
Gravel	"	352,255	545,174
Gypsum	"	124,817	104,369

EGYPT



The following is a list of the reports by H.M. Trade Commissioners, Commercial Diplomatic Officers and Consular Officers on the commercial, industrial and financial conditions in the undermentioned countries, published for the Department of Overseas Trade by His Majesty's Stationery Office during recent years, and in the case of the current year either issued or under contemplation at the time of the publication of this report.

A.—1937*

No.		No.
681	Algeria 9d. (10d.)	664 French West Africa 1s. 3d. (1s. 5d.)
667	Angola 9d. (10d.)	682 Guatemala 6d. (7d.)
680	Belgium 2s. od. (2s. 2d.)	687 Iceland 9d. (10d.)
688	British West Indies 2s. od. (2s. 2d.)	689 New Zealand ... 2s. 6d. (2s. 8d.)
677	Chile 1s. od. (1s. 1d.)	662 Paraguay 1s. od. (1s. 1d.)
678	China 1s. 3d. (1s. 5d.)	665 Persian Gulf 4d. (5d.)
686	Cuba 9d. (10d.)	663 U.S.A. 3s. od. (3s. 3d.)
668	Czecho-Slovakia... 1s. od. (1s. 1d.)	684 West Africa 1s. 3d. (1s. 5d.)

B.—1938*

No.		No.
693	Austria 1s. od. (1s. 1d.)	716 Norway 2s. od. (2s. 2d.)
707	Belgian Congo ... 1s. od. (1s. 1d.)	708 Panama and Costa Rica 1s. od. (1s. 1d.)
694	Denmark... .. 1s. 6d. (1s. 8d.)	690 Peru 9d. (10d.)
704	Dominican Repub. & Hayti ... 1s. od. (1s. 1d.)	711 Philippine Islands ... 9d. (10d.)
714	Greece 1s. 6d. (1s. 8d.)	715 Portugal 1s. 6d. (1s. 8d.)
701	Honduras 9d. (10d.)	702 Portuguese E. Africa ... 1s. 6d. (1s. 8d.)
698	Iran 1s. od. (1s. 1d.)	706 Switzerland ... 1s. 3d. (1s. 5d.)
699	Iraq 1s. od. (1s. 1d.)	710 Syria 9d. (10d.)
696	Latvia 1s. od. (1s. 1d.)	692 Tunisia 6d. (7d.)
700	Netherlands ... 1s. 6d. (1s. 8d.)	709 Yugoslavia 1s. od. (1s. 1d.)
703	Neth. East Indies 2s. 6d. (2s. 8d.)	

C.—1939 (Partial list)

No.		No.
733	Argentine Repub. 3s. 6d. (3s. 9d.)	725 Hungary 1s. od. (1s. 1d.)
724	Australia... .. 3s. 6d. (3s. 9d.)	718 India 4s. 6d. (4s. 10d.)
723	Brazil 2s. od. (2s. 2d.)	728 Malaya 2s. od. (2s. 2d.)
717	British E. Africa 1s. 6d. (1s. 8d.)	731 Morocco 1s. 3d. (1s. 5d.)
732	Bulgaria 1s. 6d. (1s. 8d.)	— Roumania (In preparation)
—	Canada (In preparation)	720 Salvador 9d. (10d.)
721	Colombia... .. 9d. (10d.)	730 Siam 1s. 3d. (1s. 5d.)
722	Ecuador 9d. (10d.)	734 S. & N. Rhodesia & Nyasaland ... 1s. 3d. (1s. 4d.)
735	Egypt (See Cover)	727 Sweden 2s. od. (2s. 2d.)
726	Estonia 9d. (10d.)	729 Turkey 1s. 3d. (1s. 5d.)
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